

COMMITTEE ON FINANCE

May 30, 2002

6:30 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Thibault.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Guinta (late), Sysyn, Osborne, Pinard, O'Neil (late), Lopez, Shea, DeVries, Garrity, Smith, Thibault, and Forest

Mayor Baines stated I suggest we deal with Item 4 through 12 and then we will open up discussion on the budget again.

Appropriating Resolution:

“A Resolution appropriating to the Manchester Aggregation Program the sum of \$764,816 from Aggregation Fees for the fiscal Year 2003.”

On motion of Alderman Garrity, duly seconded by Alderman Wihby, it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Wihby, duly seconded by Alderman Sysyn, it was voted that the Appropriating Resolution ought to pass and lay over.

Appropriating Resolution:

“A Resolution appropriating to the Manchester Airport Authority the sum of \$41,938,254 from Special Airport Revenue Funds for Fiscal Year 2003.”

On motion of Alderman Wihby, duly seconded by Alderman Osborne, it was voted to read the Appropriating Resolution by title only, and it was so done.

Deputy Clerk Johnson stated for the record because we are dealing with Appropriating Resolutions that we have to certify at some point, we want to note that Alderman Guinta has arrived for the balance of the voting.

On motion of Alderman Wihby, duly seconded by Alderman Shea, it was voted that the Appropriating Resolution ought to pass and lay over.

Appropriating Resolution:

“A Resolution appropriating the sum of \$2,686,167 from Recreation User Charges to the Recreation Division for Fiscal Year 2003.”

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Lopez, duly seconded by Alderman DeVries, it was voted that the Appropriating Resolution ought to pass and lay over.

Appropriating Resolution:

“A Resolution appropriating the sum of \$13,941,680 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2003.”

On motion of Alderman Shea, duly seconded by Alderman Pinard it was voted that the Appropriating Resolution be read by title only, and it was so done.

On motion of Alderman Thibault, duly seconded by Alderman Garrity, it was voted that the Appropriating Resolution ought to pass and lay over.

Appropriating Resolution:

“A Resolution appropriating to the Central Business Service District the sum of \$205,833 from Central Business Service District Funds for the Fiscal Year 2003.”

On motion of Alderman Pinard, duly seconded by Alderman Forest, it was voted that the Appropriating Resolution be read by title only, and it was so done.

Alderman Guinta moved to amend the Resolution by increasing the amount to \$225,000. Alderman Lopez duly seconded the motion. Mayor Baines called for a vote. There being none opposed, the motion carried.

On motion of Alderman Guinta, duly seconded by Alderman Smith, it was voted that the Appropriating Resolution as amended ought to pass and lay over.

Resolutions:

“Continuation of the Central Business Service District.”

On motion of Alderman Osborne, duly seconded by Alderman DeVries, it was voted that the Appropriating Resolution be read by title only, and it was so done.

Deputy Clerk Johnson stated I just want to check something with the Board of Assessors. The question would be this is a continuation and expansion of the Central Business District and it does have the rate on there based on an assessment and it was based on the prior amount. We can amend it at the next meeting of the Board but we would want something in writing that matches the \$225,000 I guess if that is all right with the Board and the Board of Assessors.

Mr. Tellier replied that would be fine.

Deputy Clerk Johnson responded okay then we can amend it at the Board level.

On motion of Alderman Guinta, duly seconded by Alderman Thibault, it was voted that the Appropriating Resolution ought to pass and layover.

Appropriating Resolution:

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2002 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year Under the Financing Agreement.”

On motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Guinta, duly seconded by Alderman Garrity, it was voted that the Appropriating Resolution ought to pass and lay over.

Appropriating Resolution:

“A Resolution appropriating to the Manchester Transit Authority the sum of \$725,000 for the Fiscal Year 2003.”

On motion of Alderman DeVries, duly seconded by Alderman Guinta, it was voted that the Appropriating Resolution be read by title only, and it was so done.

On motion of Alderman Smith, duly seconded by Alderman Forest, it was voted that the Appropriating Resolution ought to pass and lay over.

Appropriating Resolution:

“A Resolution appropriating to the Manchester School Food and Nutrition Services program the sum of \$4,750,000 from School Food and Nutrition Services Revenues for Fiscal Year 2003.”

On motion of Alderman DeVries, duly seconded by Alderman Wihby, it was voted that the Appropriating Resolution be read by title only, and it was so done.

On motion of Alderman Osborne, duly seconded by Alderman DeVries, it was voted that the Appropriating Resolution ought to pass and lay over.

Mayor Baines stated I would now like to open the discussion to the general operating budget for both the City and the School District.

Appropriating Resolution:

“A Resolution appropriating to the Manchester School District the sum of \$121,148,267 for the Fiscal Year 2003.

Appropriating Resolution:

“Raising Monies and Making Appropriations for the Fiscal Year 2003.”

Alderman Wihby stated I don't know how many months we have been at this but it doesn't seem like we have gone too far from the initial phase when you presented your budget. We have talked and I have heard different people say let's take cuts or let's go with the Mayor's number and let's let the Mayor's number fall in place, let's get rid of bag and tag or let's add bag and tag. At this late stage when the budget is due in a week there is nothing that has come forward as far as any proposals. At this time I would like to make a proposal that we could maybe start today talking about and see if we can get somewhere. My proposal would be that first of all we get rid of bag and tag and we put that revenue back down that we were expecting for bag and tag. Second of all, we would have to add the retirement money back in, the \$374,479 that we all talked about and now that we have to put back in. We have asked departments for cuts to 5%. My

recommendation, your Honor, would be to cut 3% from all departments excluding the janitorial contracts and the street lighting contracts that we had told Frank not to include in his cuts. From there, your Honor, on Tuesday's meeting at the end of the meeting there is a tabled item for I think \$480,000 that the School had asked to use from this year's additional revenue and I would hope that we would...and I don't think we can do that legally anyway. I think DRA told us that we can't go forward with that anyway but if we can dispose of that item, your Honor, there is \$600,000 there that we can add to the fund balance, which would help us with our tax rate this year. The additional two items would be...you actually asked Finance to look at this and I noticed there is some stuff we can go over with Finance today on this but the consolidation of financial services and bringing Finance under one department. Initially I was looking at the sheet we have in front of us and Kevin can explain that it is almost a \$1.4 million savings. If we assume that we are going to start that sometime after January and assuming just a \$500,000 savings and it should be more than that but if we assume that along with a sort of temporary hiring freeze for an additional \$270,000 and when that is met the departments would be able to hire. We can get down to a 4.9% tax increase and I think that is where the citizens, at least the ones that have called me, are looking to be is around that 5% number. It does mean a 3% cut to departments and it includes the financial people in there also on top of that 3% cut. I think that 13% or 12% or whatever number we are looking at is too much especially after the revaluation that we had last year. At this time, I just want to put that on the table. I don't know if someone wants to make a motion or not or talk about it but I think that if we can do that we can get rid of bag and tag, fix the retirement problem, make the 3% cuts and assume that we are going to go along with Finance's figures for consolidating and putting it under the Finance Department along with the hiring freeze and taking the \$600,000 from the...the extra revenue that the School Department is saying they are going to have that they are going to pay us back that \$2.7 million they owe us and bring that to \$2.1 million, we can get down to 4.9% which is still high but I think it is in the ballpark for where people are telling me to bring it down to.

Mayor Baines stated Mr. Clougherty we have been told by DRA that any surplus in the School District must go to pay the \$2.6 million deficit for the schools am I correct.

Mr. Clougherty replied right and that is what he is saying. He is going to use that to reduce the deficit and because the deficit is reduced the fund balance on the City side is higher.

Alderman Wihby stated so the fund balance instead of being \$500,000...

Mayor Baines interjected so under your proposal you would cut the School District an additional 3%.

Alderman Wihby replied I would cut every department including the School Department 3%.

Mayor Baines stated I would like to have an opportunity for the departments to come up and talk specifically about what a 3% cut would mean so that everybody has a very clear understanding.

Alderman Shea stated I would like to see how much each department would have...in other words how much we would be giving each department. If we cut the School Department 3%, I am not sure would they be around \$116 million or \$117 million?

Alderman Gatsas replied \$117,513,819.

Alderman Shea asked so if we could get all of these things it would be helpful. As far as the bag and tag I will second that right away. There is no question about that.

Mayor Baines asked so you would cut the School District down to \$117 million and their appropriation this year was \$116.8 million.

Alderman Wihby stated it was \$115.8 million.

Alderman Smith stated in regards to this 3% reduction I don't go along with it at this time. I am really concerned with the Fire Department. If you read what he wrote down, one engine company would be out of service permanently and there would be a temporary closing of a ladder company so safety is everybody's concern and I couldn't condone a 3% across the board cut at this time.

Alderman Shea stated when we proposed setting aside a certain amount of money for the civic center...Kevin, we receive \$3,221,315 is that correct in the FY2003?

Mr. Clougherty replied that sounds right.

Alderman Shea stated now we are setting aside...could you clarify this. Are we setting aside \$2,766,388 for capital improvements or for expenditures that would be...or is that for the mortgage?

Mr. Clougherty replied that is for the mortgage.

Alderman Shea stated so the other amount, \$454,927 is what we are setting aside. Is there any reason why we can't tap into that?

Mr. Clougherty replied that is the amount of money that has always been in the operating budget and it is in the Mayor's budget already. You may recall that Rooms & Meals tax money had always been coming to the City for a number of years and it was always \$476,000 roughly. It has always been in the City budget so when the civic center went forward it was everything above that amount that went for the arena and the \$476,000 has always been in the budget.

Alderman Shea asked so the \$454,927 that you have here is included in the Mayor's general budget.

Mr. Clougherty answered that is right.

Alderman Thibault asked can we have Chief Kane come up to enlighten us a little bit as to what Alderman Smith just brought up. I am concerned about that also and I wouldn't want the City to be jeopardized in any way. Joe, if you could just explain what this would do to your department?

Chief Kane stated as I said before and I put down in writing, a 3% reduction is a little over \$500,000 and with our budget being some almost 96% salary and our line items basically are down to bare minimum...there is nothing there, it would have to come out of salaries. Our line items have been frozen in place for the last couple of years and there really isn't much money in there. It is just operating. In order to do that I would have to take the money out of overtime. What I would have to do is take one of the engine companies and put it out of service and take those people that would normally be on that engine company and use them to fill in at other spots where someone was on vacation or out sick or something like that.

Mayor Baines asked, Chief, can you explain so that people understand what it means to take out an engine company. Tell everybody exactly what that means.

Chief Kane answered taking out an engine company is...an engine company is a pumper company. There are three people on an engine company. There are four shifts. It takes 12 people to run an engine. What that would do as I explained last night in regards to the ladder company is cause a delay in people getting to different areas of the City. It is really difficult to say which area of the City. It is going to depend on how the alarms come in and where the engine is situated but I would definitely need those people to offset overtime.

Mayor Baines stated I also want the Board to know that we have already cut out...there was approximately \$700,000 to try to open up the fire station in Ward 6, which we are not going to open up this year. That area of the City already has the highest amount of response time, I believe, in just about any area of the City and this is going to put the Fire Department down another \$500,000 going into the next fiscal year while we are again trying to open up another fire station. If you start doing things like this I am not sure you are ever going to open that fire station. I just want to make that clear as well. Any other questions for Chief Kane?

Alderman Shea asked if you were cut 2% would you have to remove an engine company.

Chief Kane answered it is all a matter of people as we look at it. What we would do with a 2% cut is we probably would have to remove a ladder company. A ladder company has basically eight people on staff, therefore, it is less. As you work back down we deal with less people and as we go up...the ladder company has 8 people and the engine company has 12 people and so on and so forth. The same scenario would be for the ladder company.

Alderman Shea asked so in essence you would keep it open but remove a ladder company.

Chief Kane answered I would keep the engine in service but I would take a ladder company out of service.

Alderman Shea asked so in other words you would have half of a company instead of a full company.

Chief Kane answered that is correct.

Alderman Wihby stated I am looking at what the 2% and the 3% equal on what you gave us and it is the same scenario so how come it has changed now.

Chief Kane replied the one that I have here says one ladder company for a 2% cut and for 3% it says one engine company.

Alderman Wihby asked so you are closing two ladders on 2% and an engine and a ladder on 3%.

Chief Kane answered no I said one ladder and I would have to not close permanently but maybe close periodically during peak vacation weeks another ladder company.

Mayor Baines asked what engines would be effected and in what areas of the City.

Chief Kane answered I would hate to get into saying this engine here and that engine there. I would like to do that on a day to day basis and determine how the staffing runs. Being real specific I would like the opportunity to look at what the situation is right before I go into it. I will say that last time we were in this situation we did put Engine 1, which is the downtown engine company, out of service.

Alderman DeVries stated since you brought it up, the last time that we did have to put an engine company out of service was there any difference in the statistics and actually this may be a question for Risk Management but was there an increase in worker's compensation or overtime due to sick leave. Any detrimental effects in your budget?

Chief Kane replied I certainly don't have those statistics or figures with me at this point in time. It was a number of years ago. I do know that the response time in and around the City was effected. I do know that the effectiveness of the Fire Department was reduced. In regards to the effect on the budget for overtime or sick leave or worker's compensation, I really don't have those figures.

Mayor Baines asked does anyone have any more questions.

Alderman DeVries stated I was going to ask if Risk Management could answer my question.

Mr. Ntapolis stated actually back in 1995 we had a lot of worker's compensation claims. That was one of our peak periods. Was there a direct correlation to Fire? Offhand I don't believe there was anything significant.

Alderman DeVries asked, Chief, historically when you are reducing the number of firefighters that are responding specifically out of Central. In your opinion does that reduce their effectiveness when they are first arriving at a fire.

Chief Kane answered yes. As we know or I know and you know you have a unit, a group of firefighters that are responding and responding together and they are in different vehicles but they all have a good sense of who is next to them and what is going on and how they operate. Once you take a portion of that away then that kind of gets things a little bit mixed up and it takes them a long time to respond and recover from that. There is some effect on the general teamwork that occurs.

Alderman Thibault asked how many engine companies are in Central. Is there just one?

Chief Kane answered no there are two.

Alderman Thibault asked from what I remember when we did something similar to this several years ago the engine company, not one but what was it two or three.

Chief Kane answered there is Engine 1 and Engine 11.

Alderman Thibault stated well I guess they were very busy for a year or so. I heard about that. Other than that, what was the response time? Let's say the normal response time...well I guess if Engine 11 is out because Engine 1 is not working and there is another call that comes in Engine 6 or somebody else has to fill in, right?

Chief Kane replied yes you have Engine 6 on Amory Street coming in. You have Somerville Street coming in. You have Mammoth Road coming in. What the response time is is that distance, the three or four added minutes to the original three or four so you have to double your normal response time of three or four minutes.

Mayor Baines asked can you explain what a three or four minute delay in response time means.

Chief Kane answered depending upon what you are talking about...when you are talking about EMS, if someone had a heart attack and it is a witnessed heart attack instead of that little window of three or four minutes getting trained personnel there with AD's and their equipment as opposed to eight minutes, that response time is life and death in a heart attack. In regards to a fire it depends upon what the construction of the building is but three or four minutes could mean whether the building is standing or down.

Alderman Thibault asked as a rule if you will how often is the Fire Department at the scene before an ambulance.

Chief Kane answered most of the time. The ambulances are centrally located and/or on the road but they are downtown here on the other side of Verizon. No matter where they go, they have to come from there. If they are going to the West Side, they have to come down Elm Street and across the bridge. 95% of the time you are going to find the Fire Department there first. That is the design of the system.

Alderman Thibault stated that is a very important thing. I just wanted to be sure on that.

Mayor Baines stated what I would like to do is if we are going to go down the road of percentages I am going to call for a vote by department because I will veto some of these cuts. I will not allow public safety to be impacted in this community as described by the Chief. I will take the heat, political or otherwise, to stand up for public safety in this community and I will not support a 3% cut.

Alderman Lopez stated I want to ask a couple of questions of Alderman Wihby. I just want to make sure that you understand that...first of all these figures of \$600,00 and \$480,000 has been verified by the Finance Officer? The \$1.1 million has been verified.

Alderman Wihby asked the School balance; yes.

Alderman Lopez asked how does that compare to the court agreement that you made on \$500,000 a year. Does it have any bearing on that court agreement?

Alderman Wihby replied what the agreement said was that whatever extra revenue they had they would pay back to the City towards that \$2.7 million. They told us last month that they had an extra \$600,000 in revenue and they also told us that they wanted to spend it at one time and now the DRA is saying they can't spend it and we can't give it to them even if we wanted to give it to them and that money is sitting there to pay back that \$2.7 million but yet the Mayor never used it in his number. So they would be paying us back out of the \$2.7 million. They would now owe us \$2.1 million and that would increase our fund balance from \$500,000 to \$1.1 million.

Mayor Baines stated just to follow-up with Finance, one of the problems that the Finance Officer had because we cannot verify that...we cannot verify that number am I correct Mr. Clougherty.

Mr. Clougherty replied you are right. They are on a separate system from the City so we had not been able to verify. We had spent most of our time as a Board taking a look at the question of legally procedurally what had to happen.

Alderman Lopez asked are you verifying the \$1.1 million of the budget that Alderman Wihby has presented.

Mr. Clougherty answered if as the School District has said to this Board and others that they are going to have a \$600,000 revenue surplus...in their words because you can't have a surplus when you have a \$3 million deficit but if their revenues

for this year are going to be that much higher than yes, that is going to reduce their deficit.

Alderman Lopez asked if.

Mr. Clougherty answered again you are taking their assumption that they are going to come up with \$600,000, which is consistent with the plan.

Alderman Lopez stated I would rather get actual facts. That is just one issue. There is a proposal on the table and it is to be commended but 3% in safety is a very, very bad situation especially the way the world is today. The plan that you are speaking of where you say you are going to save \$270,000 and then consolidation that you put in there with \$300,000...

Alderman Wihby interjected we won't know until we figure out where the people are coming from that go into Finance...we don't know what departments that money would come out of so we took it out of the \$870,000 and the \$870,000 is the salary adjustment account so that will be reimbursed by the amount of savings that we have and will also be reimbursed by the amount of money that you would save by having a hiring freeze. We are anticipating that \$1.3 million or almost \$1.4 million savings not starting until after January so we are only anticipating \$500,000. It does take into effect that it is half a year and it is probably closer to \$700,000 but also that the hiring freeze would accomplish \$270,000 worth of savings. The Mayor might know what we actually saved this year with our hiring freeze. I think it is a lot more than \$270,000.

Mayor Baines stated the other thing about that...just so the Board knows we have been looking at this for about...well we have been looking at it very seriously for three months now. It does mean that you go into different departments like Police, Fire and Parks & Recreation and ultimately remove the business service officers out of those individual departments and you bring all of the financial accounting eventually into Finance. It does mean that within these departments, for example in Frank Thomas' department the people who are doing the business service officer positions and how many do you have, Frank, two, under this kind of a plan to move toward it those functions would be over here in City Hall. I just want everybody to understand it. This would be the people who are in those positions. Some of them would be able to be assimilated. Some of them would actually lose their jobs just so people know that.

Alderman Lopez stated I just want to follow-up on that. In the area of consolidation as we are in the budget season we say okay fine we agree to do the consolidation but who is going to do it and what authority are they going to have to do it? There might be cases where we want to keep the business service officers

in the major departments, such as Highway. I know that the Finance Officer is shaking his head no but who is going to make all of these decisions? One man? One Committee? One Board? Who?

Mayor Baines replied the Committee on Administration would make that decision.

Alderman Gatsas stated that sounds like a good place for it.

Mayor Baines replied that is where the recommendations would come from.

Alderman Gatsas responded we certainly could do that heavy lifting for you.

Mayor Baines called Solicitor Clark forward. One of the questions that has surfaced and it is an unknown, can this be done during the budget process? Does this fall within the restrictions on consolidation?

Solicitor Clark replied you can adopt a budget based upon potential consolidations. The Charter says that you shall not consolidate departments strictly through the budget process but you must take other outside actions. As the Alderman asked who would be doing it, it is a responsibility that this Board is going to have to go through the consolidation. It is going to take nine votes. I would caution the Board that in the event that you adopt a budget based on savings of consolidation and you don't consolidate then you are going to have a shortfall.

Alderman Wihby asked why is it...it is consolidation of centralized accounting. We are not consolidating a department. We are just taking somebody from a department and moving them to Finance.

Solicitor Clark answered it depends on how far you go. If you are just transferring an employee it may not be a consolidation but if you are talking about reorganizing the departments and how they function it could be a consolidation. It depends on where this Board goes.

Alderman Wihby stated my intention was that the same people who are doing it in 23 departments we can do it under one house and move those people in-house and we won't need that many employees.

Solicitor Clark responded that would involve consolidation of some functions and it also involves reorganization of some departments. I think it would have to pass this Board by nine votes most likely.

Alderman Wihby stated we can't forget and I don't know if Ginny knows the number but I know it is over 100 positions were filled last year. They were vacant and then filled. Do you know that number, Ginny? Was it 120 or something?

Ms. Lamberton replied what I thought I was supposed to do was find out how many positions had been vacated since the hiring freeze was put on and how many positions had been filled. Fifty positions have been vacated and thirty-four of them have been filled.

Mayor Baines stated his point is well taken. During the course of the year I think it is 100+ turnover in personnel.

Alderman Wihby replied right so when we talk about lay-offs, like you said some of them will be moving to other places and some of them will be moving on to outside employment or moving up.

Mayor Baines stated the only thing I would say to the Board is I think and this is why this is a very difficult thing to do during the budget process but I know the department heads and people like Frank and others are going to have something to say about this. I would hope that the Board would at least listen to them before a final decision is made.

Alderman Lopez stated that was the only point I wanted to bring up. It is a long process for us to just do it and say we are going to save all of this money. If nine Aldermen say no and we have been down that road before...it could be a good idea and it could be the greatest idea but we haven't even studied some of the work that was given to us tonight to make that. I don't think you are looking for a motion anyway to do it tonight. I would hope not but I think the other option and I know that some of my colleagues disagree with me but in the 2.5% cut we are going back to where we have the Bond Counsel coming in on Monday I believe if you got a hold of them, is that correct Kevin? I think we ought to wait until the Bond Counsel comes here because that rainy day money is taxpayer's money and it is sitting there. Yes, it is going to do whatever Kevin said like raise the interest and all of that but I believe in the long run we are better off in doing this and passing a budget that doesn't destroy everybody at the same time. We should take our time, if we are going to do this consolidation, so everybody understands and the departments do have an opportunity to really get into this process here other than just throwing this out there and saying we are going to do it. I subscribe to looking at it but I don't subscribe to just throwing it out there and doing it and a 3% cut just to do that I can't see it. I think your option, Alderman Wihby, is one way to look at it. Somebody mentioned 2% and I can come up with another option excluding Highway and Fire and the School Department and give the School Department the money they need to. With your \$1.1 million that you just

gave me I can get that down to 5.3% too. I think all of these options are great and if we all work together collectively as a Board I think we can really come down. It doesn't make a difference who brings the number down.

Alderman Gatsas stated in regards to the rainy day fund I think I had a conversation about that with my colleague. To take one time money is what we are doing to pay a bill today. That merely means that taxpayers next year beware because there is a 3% increase coming before we even talk about spending one nickel. The State of NH made that mistake four years ago when they took one time money to fund education and they haven't found a solution to replace that one time money. I hope we as a City don't follow that same mistake. I have a question for Chief Kane.

Alderman Thibault stated my question is for Kevin. Would the money that we have right now in the rainy day fund...what kind of interest are we getting on that money presently?

Mr. Clougherty replied it is not a bank account where the money is in the bank. It is a year-end accounting as part of your financial statement. As you know, all of our cash every day is fully invested.

Alderman Shea stated I have a quick comment concerning the rainy day fund. Ted made the comment of 3%. Ted, was that using the entire amount of a portion of it? In other words if we were to use \$250,000...we have \$9.2 million I believe so if we were to use \$200,000 is that what you are referring to?

Alderman Gatsas replied I didn't participate in the conversation last night. I read the paper and they were talking about \$2.5 million coming out of that rainy day fund to reduce costs. That \$2.5 million obviously if you look at where we are with...

Alderman Shea interjected my question is, is that what you are referring to, the 3% increase.

Alderman Gatsas stated when we take the cash today it is an automatic increase of \$2.5 million that we must find new revenues for to pay next year. It is out here waiting for us to pay for it next year.

Alderman Shea replied if we took less than that...

Alderman Gatsas interjected whatever amount it is.

Alderman Wihby stated I have a question on the rainy day fund. Your Honor, that was my proposal back seven or eight years ago and we did that to make sure that the bond rating was going to stay the best in the State or one of the best in the State and if we start playing with that number we are going to cost ourselves the bond rating. Not only that but what is going to stop us next year from saying well we have to make up that money again? Again, it is just for one year. The number stays there. The only way you are going to get that number down is to make the cuts and do business differently. You are not doing business differently if you are counting on a one-time number from the rainy day fund because the following year you are going to want to take the money out again. If you use that, all we are doing is fooling ourselves this year by saying we balanced the budget. We should be balancing it by making the cuts this year and it helps everybody out in the future. That is the way to go, not by using the money that we have put aside for a rainy day.

Mayor Baines replied again we have Bond Counsel coming in Monday night so why don't we wait on that. Let's continue with the Chief.

Alderman Gatsas stated, Chief Kane, I am looking at your operating budget and I am looking at the actual expenditures of 2001. The overtime salary account is approximately \$790,000?

Chief Kane replied correct.

Alderman Gatsas stated I think I had a conversation with you during the last budget period if there was a possibility that we could look into hiring new firefighters to reduce the overtime across the board.

Chief Kane replied that is correct.

Alderman Gatsas stated I haven't seen that approach brought forward in the two years that I have asked for it and I think when you start talking about almost 8% of your wage base being overtime, I think if you looked at that that would be considered a high amount. Have you looked at the possibility of employees coming in to reduce the overtime?

Chief Kane responded what you are referring to is hiring people and using that overtime money for that thus reducing the overtime money. When we first had this conversation, we did run some numbers and we did take a look at that. We had a report and I do have a copy here. I am not sure if you got it. What we came up with is the concept is to have those people in a pool just like we would if we have to make cuts and to push that pool up against sick leave and worker's compensation and vacations. We do some of that now. We determined that the

cost of a person is about 140%. In other words you have the 100% for the pay and another 40% for benefits. There is a 10% figure in there that you could look at saving but we would have to utilize those people 100% of the time and that would be the challenge. As we looked at filling vacations and sick leave, it was determined that there really wasn't much of a savings there. I do have a report here if you would like a copy of it.

Alderman Gatsas asked so what you are saying is the 10% and the float time that the people would have would not be efficient.

Chief Kane answered that is correct.

Alderman Gatsas stated now let me understand...a first year firefighter gets paid how much.

Chief Kane replied I would like to have Brent come up and join me if you don't mind. He is the one who did the report. The new firefighter would be \$45,800 including benefits.

Alderman Gatsas asked and a firefighter who has been on the force for let's say...what is a Lieutenant. How long does someone have to be there to be a Lieutenant?

Chief Kane answered it could be anywhere from five to any number of years.

Alderman Gatsas asked what would his rate be with benefits. Let's not include benefits because that is obviously not based on overtime. Let's use...what you are telling me is \$45,800. That employee works how many hours a week at \$45,800?

Chief Kane answered 42.

Alderman Gatsas stated so 42 hours times 52 weeks...is that the correct math to use or should I use 50 weeks.

Chief Kane replied 52.

Alderman Gatsas stated so the \$45,800 divided by 2,184 gives me an hourly rate of \$21. Is that correct? I took \$45,800 and divided it by 2,184 because it is 42 hours a week times 52 weeks. That is 2,184. Into that rate it is \$21/hour. That includes benefits and that is an unfair number. Should I take 40% off of that? What is the starting rate without benefits?

Mr. Lemire replied we did this whole report. It would be helpful if you were looking at the report, Alderman. We did this report at your request.

Alderman Gatsas asked was it sent to me. Maybe while the Clerk is handing that out you can humor me a little bit. Let me try \$32,000 for a number for a starting rate because if I take 40% of that and pop it on it is somewhere around \$45,000 roughly. So, that hourly rate is about \$14.70. What is the Lieutenant's base rate? Pick one and give me the rate so I can do the number please.

Mr. Lemire answered probably an average of \$49,342 excluding benefits. That is base.

Alderman Gatsas asked so if I take that number and divide it by 2,184 that gives me a rate of \$22.60 and the overtime rate would be times 1.5. So the overtime rate is \$33.90 per hour when a starting employee would be \$14.70. I could almost on the hourly rate find you three employees for the hourly rate of one Lieutenant, overtime rate.

Chief Kane stated obviously your numbers are correct but I think you are looking at a firefighter and a firefighter's salary as opposed to a Lieutenant and a Lieutenant's salary. You can't mix and match those people. They are at two different pay levels. If you looked at firefighters against firefighters I think you will find that those numbers come out a lot closer.

Alderman Gatsas asked can you give me what the average firefighter...what is the rank under a Lieutenant.

Chief Kane answered firefighter.

Alderman Gatsas asked a firefighter with 10 years of service, what would his wages be.

Mr. Lemire answered I don't have the pay schedule here.

Alderman Gatsas asked do you have a pay sheet there that you are looking at.

Mr. Lemire answered I have a pay sheet for the whole department.

Alderman Gatsas asked grab an employee that you know has been around for 10 years and without giving me his name, just give me his rate. I think you will find it is about \$47,000.

Mr. Lemire asked with benefits.

Alderman Gatsas answered without.

Mr. Lemire stated not having the seniority list with me...

Alderman Gatsas interjected let's use a number of \$45,000. That still gives me for every firefighter...his hourly rate for overtime just and I think most of your overtime you will probably find is in the Lieutenant range...I think that is where you are going to find the bulk of it but a firefighter's overtime rate is somewhere around \$30.90. A new start-up firefighter is \$14 so for every two...for every one hour of overtime I can hire two new firefighters.

Chief Kane stated it sounds like what he is saying is true but there is some falsehood there. You are taking a look at a starting wage of a firefighter and then you are taking a look at a firefighter who has been here 10 years. Initially that looks good but that person is not going to be earning at the same level throughout his career. If you hire a number of firefighters and they are going to start there, in 10 years those firefighters are going to be making that other wage.

Alderman Gatsas stated let's take a number of overtime. Let's use a round number and say it is \$1 million. Can we do that? If I take that \$1 million and I divide it by an average of \$30/hour right now and say the only overtime earned is by firefighters and let's not use \$30, let's use \$25 because you are telling me that the \$30 may be high because of somebody being there 10 years. I am saying the Lieutenants are higher. Let's say that a very conservative number is \$25/hour in overtime. I don't think that is even possible. I think \$30 is probably the low number.

Chief Kane replied it is \$31.35.

Alderman Gatsas responded so the average overtime rate is \$31.35/hour. If I take that \$31.35 and I divide it into the \$1 million I come up with somewhere in the vicinity of 31,290 hours of overtime. That is what is paid in overtime. Total overtime hours. If you are telling me that a new employee's start pay with benefits is \$45,000, if I look at that number and figure it I am going to come out with a much different number for employees. That is a very high number when you are talking about 31,000 hours of overtime. I am just doing simple math.

Mr. Lemire stated you will notice on the sheet...

Alderman Gatsas interjected that is 782 hours a week of overtime.

Mr. Lemire stated we need to cover 36,025 hours of overtime per year right now.

Alderman Gatsas replied no you have to cover 36,000 hours of vacation and sick time, not overtime.

Mr. Lemire responded correct. We have to cover it with overtime.

Alderman Gatsas stated right so the difference in there is hiring somewhere in the vicinity of 10 employees.

Mr. Lemire replied we estimated that it would take almost 18 to cover the...because of the fact that our employees when they earn overtime...our overtime budget most of the time our entry-level employees aren't the ones getting the overtime.

Alderman Gatsas responded when I used the Lieutenant's number you kind of chagrined.

Mr. Lemire stated we have District Chiefs, Captains, Lieutenants and firefighters getting overtime. By contractual obligation it is on a trigger amount so it is computed three different ways and depending on how many hours they work...they work 42 hours on an average over an eight-week cycle.

Alderman Gatsas replied I am merely making the point, your Honor...if this Board said to you hire 10 new employees at \$45,000 including benefits that is \$450,000 and you could reduce your overtime and not have to lay-off a ladder company or an engine company or anything else and probably still adjust that because that is going to bring your overtime down to about \$300,000.

Mayor Baines asked do you agree with that, Chief.

Chief Kane responded I think from what I understand you are saying hire 10 people at \$450,000 right.

Alderman Gatsas replied you gave me the number of \$45,000 a year with benefits.

Chief Kane responded then you are saying reduce the overtime to what \$350,000.

Alderman Gatsas replied I am saying that you could probably reduce the entire overtime and cut it in half. Brent said you need 18 and 18 would give you absolute maximum employees and you would have a lot of guys...I don't know what you would do.

Mr. Lemire stated in other words the 36,000 hours a year that we have to cover...if we didn't adjust accordingly during the year it would cost us over \$1 million in overtime. You are saying hire 10 people at \$450,000 and we would be able to still have the balance of that overtime budget.

Alderman Gatsas responded no I would say that most of that should come down and that takes care of almost 22,000 hours.

Chief Kane asked you are saying hire 10 at \$45,000 so that is \$450,000 and you are saying cut the...I need to agree with you on this. You are saying cut the overtime in half so that is basically \$475,000. If you add those two numbers back together, you are back where we are at.

Alderman Gatsas answered no I am saying that the 10 employees...that if you had 10 more bodies you could accommodate those hours without overtime.

Mayor Baines stated what we have is you are saying that and they disagree with it. We can go on forever with this.

Alderman Gatsas replied I am just looking at natural numbers.

Mayor Baines responded but he disagreed with you last time you brought it up and he is still disagreeing with you.

Alderman Shea stated the difference I think is that you said contractually you have some Lieutenants that must be on duty because they are replacing a Lieutenant that is on vacation or is injured. You are saying that in addition to that there are other personnel so in essence although you would hire 10 new firefighters they wouldn't necessarily punch into the overtime. In other words, you could not replace a Lieutenant with a firefighter. You could not replace a District Chief with a firefighter. You could not replace someone at whatever other level there might be with a firefighter. You could replace a firefighter with a firefighter. Are you in a position now to hire 10 new people tonight or tomorrow or next week? If you can't, let's go on to something else because we could go on forever.

Mayor Baines stated if we were going to hire those firefighters, we were going to hire 16 firefighters to staff the Ward 6 fire station. That is what we were going to do. We had promised the residents of Ward 6 that we were going to open that station. It was promised two years ago in 1999. We were scheduled to open that fire station. Because of the budget crisis, we had to make a tough decision not to do it. If you are going to hire back 10, 15 or whatever firefighters, let's open up the Ward 6 station. How are you going to hire more firefighters and keep that station that we are building out there empty?

Alderman Gatsas asked are you saying that you want to increase your budget.

Mayor Baines answered no I don't. I made the decision not to do that and that was a pretty tough decision because we worked very hard for that Ward 6 fire station. Those people are going to have to wait another year with the longest response time in the City right now. That is one of the fastest growing areas of the City.

Alderman Gatsas stated even if we hired those 12 employees to go there right now today, there is not a truck there.

Mayor Baines replied we understand that and we are working on delaying the construction too.

Alderman Gatsas stated we ordered the vehicles so to say that we should have firefighters at that facility isn't fair because they don't have the equipment to fight a fire.

Mayor Baines replied they had to be brought on four months earlier for training. Four months in advance of the opening, which was going to be scheduled next July. Could I have Chief Driscoll come forward please?

Alderman Garrity stated we did this last night. We asked what a 3% cut would do to both Chiefs and Highway. Why are we doing it again, because you are running the meeting?

Mayor Baines replied no. I thought we were starting to call them back up again. I didn't call Chief Kane back up here.

Alderman Garrity stated well we had them all here last night and we asked them all the same questions.

Mayor Baines replied if nobody wants to listen to any department heads now, that is fine. Make your motions. Is that what you want to do?

Alderman Lopez moved that the department heads be excused. Alderman Smith duly seconded the motion.

Commissioner Martineau stated I would like to speak. I assume you got my letter. Today I ran some figures. As of the end of today I am running a \$671,401 deficit, which means I project probably \$750,000 by the end of next month. That means that the budget last year was \$1,471,000 and that will mean that this budget has been \$2.2 million this year. You are giving me the same budget as last year and I

am projecting...I think I can cut maybe half of that deficit so I need about \$1,850,000. I don't want to come here next year with \$104,000 and say okay you had a bare bones budget for these departments and they have to come up with another \$350,000 or \$400,000. This hasn't been accounted for. It is incumbent on me to let you people know. The other thing is that statutorily you are obligated to come up with the money if I run a deficit. That is another item that you need to consider.

Alderman Wihby stated Welfare is the only department that is like that where we have to cover.

Alderman Gatsas stated just so we understand that and it is very clear, can you tell this Board at this time, now that you have concluded and closed the building up at Hackett Hill how many people that we spent...I believe you told us that we had to spend from City funds to make the renovations there to accommodate some people. Commissioner, can you tell me how many people from the Welfare Department were sent there?

Commissioner Martineau replied Hackett Hill and I think I came here before you people...what it was was an overflow basically for New Horizons and we figured that we could send people there overnight. Initially we thought we could keep it open all week but it wasn't practical. We spent roughly \$14,700. We were allocated \$26,000 for that. We came under on that basis.

Alderman Gatsas stated let me ask the question again. Maybe you didn't understand what I asked. How many people, how many bodies were sent to Hackett Hill for housing by the Welfare Department?

Commissioner Martineau replied I think I indicated...we had a meeting once before and I think I said there were three families that we sent there over night.

Alderman Gatsas asked so for the \$14,000 that you came before this Board and said it had to be done, we sent three families.

Commissioner Martineau answered I came before the Board with also the Director of New Horizons. New Horizons was sending 24 to 28 people there per night. If we didn't have that, they would be the responsibility of the Welfare Department and we would have put them up in motels at \$350/week.

Alderman Gatsas asked my question is how many people were sent there, three.

Commissioner Martineau answered roughly three through the course of the eight weeks we were open. What happened is when they came into our office looking

to go into hotels and motels, they were told that they would be going over there over night or they would be going to our emergency shelter. Ironically, they would either find that they had friends or family or somebody to put them up. If you look at the hotel and motel costs that I also gave you in January, we paid over \$53,142. In February, it was \$21,594. In March, it was \$10,783. In April, it was \$6,400. This month we will be under that. I think I am making savings along that line.

Alderman Gatsas asked in the month of January how many of those people that you sent to hotels were from New Horizons.

Commissioner Martineau answered we opened it up in mid-January.

Alderman Gatsas asked in December.

Commissioner Martineau answered I don't know because I wasn't the Welfare Commissioner in December.

Alderman Gatsas asked okay mid-January. How many people did you send to hotels that came to you from New Horizons?

Commissioner Martineau answered we didn't send anybody to a motel from New Horizons. We sent them to French Hall.

Alderman Gatsas asked but before French Hall was open.

Alderman Lopez asked what is the point of this. He just indicated that he has saved a heck of a lot of money and everything worked great and we are grilling him...

Alderman Gatsas interjected for some reason he came before us and had a problem that he wasn't going to be funded. I think this Board over funded and put up French Hall without any problem.

Mayor Baines asked over funded.

Alderman Gatsas answered yes over funded.

Alderman Lopez stated I don't think he is saying that and I don't think that we did that. We helped out New Horizons.

Alderman Gatsas stated it is an obligation. I think when the Commissioner came forward and said we can't cut his budget that he is the only department in the City that gets fully funded no matter what happens.

Commissioner Martineau replied I didn't say you could cut my budget, I said there was going to be a deficit and I didn't want to come back here after these departments have been down to the bare bones and come back and say guess what. They had to come up with \$1 million last year. I don't want to see the same scenario this year coming back and saying you need to come up with \$350,000 or \$400,000.

Alderman Lopez stated I think he is making a point for all of the new Aldermen.

Alderman Lopez stated I would like to clarify my motion in reference to the department heads being excused. I think we need the Finance Officer and the HR Director to stay here.

Mayor Baines stated in response to Alderman Garrity the Aldermen made a directive for all of these department heads to be here and anyone can call anyone up, including the Mayor, for questioning. That is the procedure we have always had here.

Alderman Garrity asked you can do that from the Chair. This is our budget, not yours.

Mayor Baines answered yes I can. I am the Chairman of this Committee and as of the Chairman of any other Committee of this Board. The Mayor is the Chairman of the Finance Committee by Charter. These people are giving of their time and they are willing to respond and they deserve to be heard when they are facing these types of budget cuts.

Alderman Garrity stated I think we are wasting their time. We asked them the same questions last night.

Mayor Baines replied well we do that quite well.

Alderman Lopez stated if there is any other department head that would like to speak they may do so.

Mayor Baines asked does any other department head wish to speak.

Alderman Shea stated I think in deference to the department heads, obviously they should address a problem in terms of if a particular budget were reduced 3%. I

know that a lot of them the Aldermen heard that but unfortunately I had a meeting last night with my constituents and I wasn't here and I guess Alderman Wihby and Alderman Gatsas had a meeting concerning an addition to YDC so it might be helpful.

Mr. Dillon stated the only concern I have is I heard a lot of discussion last night and tonight about consolidation of finance functions and I would just like to point out that from the Airport's perspective that would cost us considerable problems to have Airport finance functions be combined with City functions, not the least of which would be FAA revenue diversion issues. I would certainly urge you that if you are going to consider that I am requesting that the Airport be exempted from that consolidation and if you continue to consider it for the Airport, I would certainly like to...

Alderman Wihby interjected the Airport is exempt. You are exempt from the cuts and exempt from the consolidation.

Mayor Baines stated if any other department heads want to be exempted I guess they could ask as well.

Alderman Wihby replied the Enterprises are exempt.

Chief Driscoll stated I thank you for your time. I know you heard from me last night but for me to sit there quietly and pass on the opportunity to address you relative to the Police budget I feel I would be negligent. I made a budget presentation a few weeks ago. I encouraged you at that time to look at two different areas – increasing the staffing of the Manchester Police Department based on a variety of demands that we presently face and I asked you to consider the serious problem we have relative to our fleet and not having any, zero, police cars funded in this budget. I realize that this is a very, very tough year for the citizens and the taxpayers and I certainly acknowledge that but I think you would do an injustice to the community and I think you would make a mistake if you were to cut public safety to a 2%, 3%, 4% or 5% level. I think it would have a significantly negative effect. I don't think it would be a good thing. I don't think it is something that the community could look back on a year from now and say we made a wise decision. We are all about erring on the side of caution and I believe that is...we have to be prepared for the variety of challenges that lay ahead and without the resources it is very, very difficult to do that. I would be happy to answer any of your questions.

Mayor Baines asked how do you feel that public safety would be impacted by a 3% cut. I have sat here now...this is my third budget and I have heard a lot of concerns by different Aldermen who have sat in these chairs about public safety.

We are looking at crime. We unveiled a major program with the U.S. Attorney's Office on guns the other day over on the West Side. We are trying very hard to keep the efforts going that were started under the previous administration with the streetsweeper program cleaning up the neighborhoods. What is your reaction to that in terms of our ability to stem crime and we are particularly concerned about the crime in the downtown area and keeping downtown safe?

Chief Driscoll answered we have been very proud that the crime rate continues to go down based on the efforts that the Aldermen have made in the investment in public safety both Fire and Police but the reverse side of that is that violent crime continues to go up. The crime that occurs is much more serious. We have more calls for service. The response time, like the Fire Department, continues to rise. In addition to more calls, the calls are more complicated and the laws are more complicated for our police officers to apply their skills to the different calls for service. It takes them a longer period of time. The paperwork is more complicated. In order to go to court and get a conviction they have to touch all of the bases. It is a much more complicated situation than it was five years ago and three years ago. I really think that it is worthy of the investment that this City has made in the past and should make, in my opinion, this year to provide a safe community. 1% is \$180,000 in our budget this year based on the Mayor's number and as you multiply that with a budget that is 94% salary and has had no increase in capital or expenses over the last two years it makes it very, very difficult to go any place other than salary if we are going to reduce the budget and, in fact, that just simply means personnel; less police officers on the street.

Alderman Thibault asked can you tell me roughly the average miles on the cars that you have presently.

Chief Driscoll answered we try to turn cars over when the speedometer mileage is something in the area of 100,000. The reason for that is we buy the 100,000 mile guarantee, which protects the drive train but 100,000 miles on the speedometer is likely to be 200,000 seat time and engine time. The cars are simply worn out. I, quite frankly, when the City had a practice of giving our cars to other City departments felt very bad for them because they weren't getting much, trust me.

Alderman Thibault replied but in those days when we did this and I was there then, you take some of these departments that probably drive 1,000 miles a year and the cost is negligible if you will at that point. Coming back to my question, I don't think you answered it. The average mileage on the cars that you have presently is what roughly? Give me a ballpark. 85,000 or 90,000?

Chief Driscoll responded I think in my package that I gave to you some time ago it showed the mileage of the cars. My fear is that if you don't replace them this year

we drive 1,200,000 miles a year or 3,200 miles a day. The mileage is going to be huge and as the mileage goes up and we don't replace cars the expenses go way up and it is kind of counterproductive.

Alderman Thibault stated having worked on some of these cars myself because I got the contract to paint some of those cars in the past. I know what condition some of them are in. Believe me on some of them I think the paint was holding them together. I think that it would be a major red light for this Board to have. Some of these cars definitely need to be replaced and as the Mayor's budget intends this year, there is no money for any cars, as I understand. I think that is wrong and I think that is something that this Board should look at as we finalize the budget. Maybe they don't need 10 cars, but some cars.

Alderman DeVries asked, Chief, I don't know if you are prepared tonight but I think it was about six weeks ago that you came before this Board with an innovative program where you were bringing back part-time officers, many of whom were previously retired officers. There was a cost effectiveness associated with that program. Are you prepared at all to reiterate for the public some of the numbers of what you might have saved?

Chief Driscoll answered in a nutshell that program is designed to provide a secondary force of reserve officers to supplement but not replace the regular officers that we have. If, in fact, there is an event or a couple of events such as Riverfest or some of the construction work around the community that we can't fill we would use those officers to do that. They would receive the entry-level salary for a patrolman Grade 18 and they would not get step raises. That is the agreement that we have with them. We would never pay them overtime but we would pay them in some situations the detail rate if they were working for a private corporation.

Alderman Smith stated your number one safety need was five street police officers and second was your vehicles. If you go to the 3% budget cut, I am really interested in your manpower and not vehicle power, what would it do to your complement?

Chief Driscoll asked do you have the document that we provided. I would be pleased to review that with you. What we did was remove \$216,000...the total civic center overtime allocation.

Mayor Baines asked so there would be no one on overtime at the civic center is that what you are saying.

Chief Driscoll answered correct outside the curb line.

Mayor Baines stated so when people come out of the civic center, 10,700 people, no one is there.

Chief Driscoll replied it would also eliminate the parking control past 5 PM along with the revenue obviously. It would eliminate one training day. It would eliminate two dispatchers which...we simply can't remove dispatchers. We have to take a police officer and put a police officer in that position. When somebody has to answer the phone, somebody has to dispatch the people. We could eliminate two of those. We eliminated two PCO's, a record specialist and two police officers to make up that \$554,000, which would represent the 3%. That would have a significant impact, Sir.

Alderman Smith asked so in other words you are telling me that we would have to take somebody off the street and put them in administratively as a dispatcher.

Chief Driscoll answered yes.

Alderman Forest asked, Chief, those five new special officers that you just hired are they serving subpoenas and warrants.

Chief Driscoll answered yes they are doing jobs in support of the mission of the Police Department but without replacing police officers.

Alderman Forest stated serving a subpoena again ties up a regular officer's time.

Chief Driscoll replied no question.

Alderman Forest stated because they are off the air and they have to be looking for these people and everything else. Where your special officers are now doing it, you are giving more time on the street for a police officer.

Chief Driscoll responded I think that whole situation is a win-win. I am really proud of that program.

Alderman Sysyn asked aren't the police paid by traffic revenues for the civic center coverage.

Mayor Baines replied no. We had hoped when we put the budget together because there had been what we thought was a commitment from the Board that there wouldn't be any tax dollars related to supporting the ancillary costs of the civic center and we have already eliminated \$225,000 in Saturday potential revenues out of the parking meters. This all comes out of the general fund and it is all

revenues that have come in. They are all paid out of the general fund. If you have a shortfall in revenue and parking, it is just a shortfall in revenue that impacts your entire budget.

Alderman Sysyn stated I thought they had already paid them so far from parking revenues.

Mayor Baines replied no. We tried to balance off costs for the civic center versus revenue that could be generated such as from parking, etc.

Mr. Clougherty stated that is absolutely right, Mayor and to date I think what Alderman Sysyn is saying is that those revenues have covered the costs to date.

Alderman Guinta asked can you clarify what you said regarding civic center detail, Chief. Did you say with a 3% cut there would be no detail?

Chief Driscoll replied yes.

Alderman Guinta asked so there would be zero detail at the civic center events.

Chief Driscoll answered yes that is where I would initially go to remove that funding.

Alderman Guinta asked was that identified in your memo.

Chief Driscoll answered yes it was.

Alderman Lopez asked did we collect the revenue for the civic center when the Chief put in \$190,000 in his budget last year for the police officers to work outside. We said that we would collect \$190,000 to pay for the police officers that were at the civic center last year in his budget. Are you telling me now that we didn't collect that money?

Mr. Clougherty answered you certainly didn't collect it on day one. You are collecting it during the course of the year, as you are all of your other general fund monies.

Mayor Baines stated and we have a shortfall from what we projected from parking revenues.

Alderman Lopez replied I realize that we have a shortfall in parking revenues. My question is though he based having his officers there at about \$190,000. Are we

going to meet the commitment for the civic center under the revenues that we receive because that was first priority?

Mr. Clougherty responded to my knowledge and I will go back and look at it but to date you are covered.

Alderman Lopez asked so to date we are covered.

Mr. Clougherty answered yes. That is the last analysis that I saw.

Alderman Lopez asked so if we did that and he got that \$190,000 from the revenue how does this take away police officers from traffic.

Chief Driscoll answered I don't actually get that revenue. If you remove money from my budget and ask me what I would give up in the first instance with a 3% cut I would take and look at the service we provide at the civic center before I would take police officers out of patrol cars and the bike routes and stuff like that. Does that answer your question?

Alderman Lopez responded it answers my question only to the degree that you are saying that if you have 10,000 or 11,000 people down there you won't have any patrol cars or officers down there to make sure that they safely get out of the City.

Chief Driscoll replied I would not hire those details. Every year I come here during the budget scenario and I am asked specifically what would you do and I remember last year saying that I will always do the best I can for public safety to keep the community safe and I will make any reductions as invisible as possible and that we will always spread our resources out as best we can to keep the community safe but at some point as those cuts are made something has to go.

Alderman Lopez asked and that is your least important task.

Chief Driscoll answered if you ask me if I am going to take somebody out of a patrol car or if I am going to take somebody out of a school or a community policing officer of a bike, probably I would eliminate the civic center or at least the majority of that but that becomes painful too.

Alderman Shea stated just by way of clearing up something in my mind, you add \$190,000 or whatever the overtime amount is to cover the civic center in your budget is that correct. Kevin, you are saying that we receive funds...how does this work? In other words it is kind of confusing because on the one hand he is adding money to his operating budget and he is saying...who is being credited with the amount of money we are getting for revenue?

Mr. Clougherty replied first of all, Alderman, it is all the general fund. The expenses that the Chief is talking about are expenses in his budget but the revenue for traffic and parking meters and things like that don't go into the Police budget it is in the Traffic budget and it comes into the general fund. So you are taking all of those general fund revenues and you are looking at all of the general fund expenses. Now the Board had asked us to track some things for them over time and take a look at all of those related expenses versus all of the so-called earmarked general fund dollars and we have done that and the last report I saw showed that the revenues that had come in from violations and parking and all of those other sources were sufficient to cover the expenses to date because although the budget may be \$190,000 we may not have spent \$190,000 to date. You have to take a look at what the actual experience is, both on the expense and revenue side. They are both general fund issues.

Alderman Shea asked how about the money that we have to pay the civic center operators. I think it is between what \$360,000 and \$480,000. Does that come under the same...

Mr. Clougherty interjected no. That is not part of the general fund. That is part of the operations of the building and it is part of the indenture structure that was set-up as part of the bond issue that those revenues will stay there to operate the building so that it is not a lien on the general fund of the taxpayer and that it operates itself with no responsibility to the general fund for operating deficits or anything of that nature.

Alderman Shea asked where does that money come from.

Mr. Clougherty answered it is all of the revenue that comes into the building for tickets and anything related. It goes into a pool to be used to pay for the operational expenses of the building, which includes debt service, operations, the management contract and things of that nature.

Alderman Gatsas stated when we had to come up with \$1 million from Welfare how much did you give.

Chief Driscoll replied \$68,000.

Alderman Gatsas asked do you have a copy of your budget in front of you. Could you look at for me in FY01 what your actual expenditures were? I guess you will believe me if I tell you what they are because I am reading them. Chief, why don't you find them because you might not want to believe me.

Chief Driscoll asked can you direct me where you are looking.

Alderman Gatsas answered I am looking in the big budget book.

Chief Driscoll asked you are looking at FY01 actual expenditures.

Alderman Gatsas answered yes.

Chief Driscoll stated \$16,026,675.

Alderman Gatsas replied whatever your number is I believe you. Let's go to the overtime line. The overtime line says that you had \$1,082,812. The civic center did not open until November 1, 2001, which meant it was in the budget year of FY02, the current year that we are in now. Do you agree with that?

Chief Driscoll responded that is possible.

Alderman Gatsas replied it is not possible, it is either yes or no. Would you say to me that the civic center was open approximately seven months ago?

Chief Driscoll responded yes.

Alderman Gatsas stated if I look at your budgeted figure for the budget in FY02 that you requested, the overtime budget number is \$953,499, which is approximately \$100,000 less than the preceding year so where is this \$216,000 in overtime coming from at the civic center. Can you explain that to me?

Chief Driscoll asked where is it coming from. I don't follow your question.

Alderman Gatsas stated well we have a budgeted amount. When you came forward with your budget last year you had budgeted figures for the civic center for those accommodations of taking care of the traffic. Is that correct or not?

Chief Driscoll replied yes.

Alderman Gatsas stated so I should see that in the budget of FY02. Is that correct? I will make the question easier. If I took \$216,000 out of your budgeted line for FY02 or let's say it is out of FY03, which the Mayo recommended. He recommended an overtime budget line for you, which included the civic center of \$1.076 million in overtime.

Mayor Baines replied just to correct you the Mayor does not do the line items. We come up with a bottom line. The Police Department does the items.

Alderman Gatsas stated whatever the department did in their overtime adjustment, the overtime adjustment that you came forward with and the Mayor's recommended bottom line fix...

Chief Driscoll interjected \$1,076,000.

Alderman Gatsas replied correct. That is the approximately the same number in overtime that you had in FY01 without a civic center opened. So, if you are telling me that you are taking \$216,000 of overtime from civic center duty it has to come from that line because it is overtime. That is what you have here. Civic center overtime unless you have the overtime for the civic center in some other line item that I don't know about.

Chief Driscoll responded I don't think so. I think it is in that line item.

Alderman Gatsas stated so what you are saying to me is if we did this your overtime would go to somewhere in the vicinity of \$800,000.

Chief Driscoll replied yes.

Alderman Gatsas asked well how come it was so high in FY01 when you didn't have a civic center.

Chief Driscoll answered I would have to analyze that and get back to you. I can't answer that just by looking at these numbers. A lot of it has to do with staffing. If we don't have a complement then we fill those positions with overtime. Right now we are very near up to staff and hope to remain that way.

Alderman Gatsas stated if that were the true point then your budget for overtime for this budgeted year would be \$216,000 over. If I do the numbers you are pretty close to being where you were last year. I am just confused where this \$216,000 in overtime for civic center help is really coming from.

Chief Driscoll replied to the best of my knowledge I believe it is in that number there, Sir.

Alderman Gatsas stated I would leave it at that, Chief, but if you take a look and understand where I am coming from that the two numbers from FY01 to FY03 recommended are the same and there was no civic center in FY01 so you can see my concern about \$216,000 that you are showing us on a sheet. The Mayor said there would be 10,000 people coming out of the civic center and no policemen. I

say 10,000 people never came out of the civic center in FY01 and there were no policemen but the overtime was there.

Chief Driscoll replied I can't give you a definitive answer but what I can tell you and I remember coming to the Board and explaining this, is that we worked real hard. We spend something in the area of \$450,000 a year in court witness fees. As that number continues to climb, and that is an overtime figure, we implemented a program which probably is not reflected in that FY01 number but we saw significant savings in that program and that probably is why the number is fairly close this year to what the FY01 number was. I think we probably brought the number down with court savings and now I think the number has climbed up as a result of the civic center. That would be my explanation.

Alderman Gatsas stated Chief I think you and I had a conversation maybe two years ago about the rate that we charge people for digging a hole in the street that needs a police officer. I think you did an analysis for me and checked some of the other local communities like Nashua, Concord and Portsmouth. I believe that the analysis that you came back with was somewhere in the vicinity of \$7/hour that Manchester charges less than what those local communities charge roughly.

Chief Driscoll replied my recollection is that Manchester did charge less than a number of other large communities throughout the state.

Alderman Gatsas stated and I think when we did a very quick analysis on the back of a napkin we came up with somewhere around \$450,000 in additional revenue if we charged the extra \$7 that I think you and I had a conversation about.

Chief Driscoll replied I can't recall the numbers but I will accept your recollection.

Alderman Gatsas asked have we looked into that possibility where we could look for additional revenue from that.

Chief Driscoll answered I know that this Board or you personally directed the City Negotiator to speak with the unions. I think that was done and I don't know how far that has moved forward.

Mr. Frank Thomas stated I would like to restate a few things that I mentioned last night for the benefit of the Aldermen that weren't here and to note a few concerns that have come up tonight. As I mentioned last night, we are a service department. We provide numerous various services to the taxpayers of the City of Manchester. In order for us to carry out our services, we need men, we need equipment and we need supplies. A 3% cut will eliminate the \$300,000 that I have in my operating budget to buy asphalt. That is equivalent to 4 ½ miles of road. Manchester,

unfortunately, does have a history of deferring maintenance. We realized that with the problems that we are facing in the schools right now. I have been an advocate since I have been Public Works Director to try to get as much funding as possible on a yearly basis to put into our streets. By losing that \$300,000 as I mentioned the other night, we are going from a 32-year cycle on resurfacing streets to a 49-year cycle when the ideal or the average is 25 years. So we are deferring maintenance in that area. The other concern or the other cuts that I would have to make in order to accommodate the 3% cuts in the overtime area, the new overtime areas relating to the civic center and the downtown, cutting back snow pick-up in the downtown and civic center areas from eight times a year to four times a year. A mild winter like last year, no problem. Two years ago we had a more severe winter and quite frankly people are going to be climbing over snowbanks to get to meters and to businesses. In addition, part of that cutback will be in litter pick-up on the weekends. Again, new services that were provided in the last couple of years. So, there is going to be an impact to the services. Are they safety related? You have heard a lot about safety services. No, but they are services that are related to maintenance and maintenance catches up to you. Again, I refer to the maintenance that we are dealing with in the schools now. The other area that is a concern to me is a freeze on hiring. I am very dependent on labor quite frankly and because of the type of employees or the work that we do we have a fairly high turnover. Trying to justify going through the process of requesting positions to be filled even at the refuse collector level, quite frankly, is a nuisance or in my opinion a waste of time. I would rather, if you budgeted your cut and that goes through, that you tell me what my share of that \$300,000 is and let me come up with it instead of dealing with this freeze in personnel because again I think it is, at least in my case, non-productive and I would rather try to come up with some extra dollars to make my commitment. As far as the consolidation of financial operations from the various departments, I have to admit I had some concerns. I haven't seen any plans. The first time I heard about it, quite frankly, was last night. I just would voice that if you do proceed in that area that you go cautiously and that you allow the departments to have input into it. Again, we have a sizable staff that is in that area. I don't know how that is going to affect my payroll, timekeeping and operations. If you decide to move into consolidating financial functions or operations, I strongly urge you to at least allow the departments to have representation on any of the committees or any of the decision processes that you go through.

Alderman Shea asked, Frank, if there were some sort of a decision you had to reach concerning overtime to work around the civic center after a storm and so forth, vis a vie paving streets, where would your priority be.

Mr. Thomas answered in my memo on cuts, if you follow it the first recommendations in cuts were in the overtime related to the civic center and the downtown.

Alderman Shea asked how much would that save, Frank.

Mr. Thomas answered it wasn't much. I think around \$67,000 or somewhere in that range.

Alderman Shea asked is that just for removing or is that overtime included.

Mr. Thomas answered that is strictly overtime for snow removal operations in the civic center, downtown and refuse collection/litter control.

Alderman Shea asked so if that were applied to roads that would help with the \$300,000 that obviously...

Mr. Thomas answered well a 3% cut is about \$370,000 in my case so it eliminates the resurfacing and the overtime for the civic center/downtown area.

Alderman Shea stated I know that I speak for myself but I know judging from the amount of potholes I have to phone in that obviously there are problems that we have and no one wants to see roads not being paved. Most people say you know I pay taxes and I would like to see my road paved after 30 years you know. So you are saying in essence that if we were to cut you 3% there would be how much money available for paving of roads?

Mr. Thomas replied there would still be \$550,000 in the CIP.

Alderman Shea asked so there would be some money available to pave roads.

Mr. Thomas answered that is correct. Last night, you mentioned my little talk on street resurfacing but with 400 miles of street and with a cycle of 25 years to resurface a street you need to allocate approximately \$1.1 million worth of asphalt a year. We have been averaging the last couple of years around \$800,000 or \$850,000 and that is a 32-year cycle.

Alderman Shea asked if you say 12 wards and \$600,000 we will say available...basically you would tend to be dividing it equally among the 12 wards unless there is a serious condition in one of the wards that needs to be addressed. Is that how it works?

Mr. Thomas answered I can find roads that need resurfacing in all 12 wards.

Alderman Shea stated I just want to stress that road paving is very essential.

Mr. Thomas replied I agree. You either pay now or pay later.

Mayor Baines stated I would add that plowing the sidewalks around the civic center after we have made that kind of an investment might be kind of an important thing to do as well.

Alderman Wihby stated, Frank, the consolidation would be done over six or seven months so hopefully we would do it right within that time frame. I think one thing that you forgot to speak about this evening is in my proposal I took bag and tag out. Can you elaborate on how you feel about that?

Mr. Thomas replied again I basically support the premise of bag and tag. I think bag and tag promotes recycling and recycling is good. Recycling reduces the amount of dollars that you have to pay for transfer and disposal. On the other side of the coin it is unfortunate that bag and tag always comes up when we are in a budget crisis. I would much rather see bag and tag come up when we are proposing a 2% tax increase or a 0% tax increase and include bag and tag at that time. Again, the statistics for Manchester...right now at the curb we are only recycling 8.8% of the waste stream that Manchester is generating. That is not very well for a municipality that has curbside collection of recyclables. When you institute a bag and tag program, it is almost like a volunteer type of program that mandates recycling. It is not mandatory but in order to reduce your cost for disposal you recycle more.

Mayor Baines stated as I mentioned the other day Worcester is now up to 27% on recycling and they are not happy with that so they just went from 50 cents to \$1 on their bags to try to increase it to reduce their cost for solid waste.

Alderman Gatsas asked, Frank, did I understand that you would be in favor of bag and tag if this Board presented a zero budget increase from last year. Are you proposing that we look at zero? You probably just made the taxpayers night.

Mr. Thomas answered no.

Alderman Gatsas stated I just wanted clarification to your statement.

Mr. Thomas stated the point I was trying to make is bag and tag, there is a cost connected to it and a lot of people feel, especially an elderly person, that the only things they are getting for their tax dollar that they see visually is that they put their bag of trash out once a week and it disappears. They don't realize that there

is a patrolman coming down that street or that there is a crew of firefighters down the street protecting them but they do see that bag go. Unfortunately, when there is a large tax increase and then you tell that resident that on top of that now they are going to have to buy bags to put out their trash, it is a little hard for them to take. However, if we ever get to a year where there is a zero tax increase or a 1% tax increase and we do a little planning, I think bag and tag deserves serious consideration because ultimately I think it is a fairer way to distribute the cost of solid waste, it is going to promote recycling and ultimately reduce City costs.

Mayor Baines stated I know we are not going to do this this year and I made that statement during my budget message that I didn't think we would be prepared to do it but if we increased recycling 30% we could save approximately \$1 million per year. You see a \$300,000 savings for each 10% increase. In five years that is \$5 million. We start saving that amount of money and we could reduce taxes or we could buy police cruisers or we could do some investments that need to be done in the City.

Alderman Gatsas stated so we could bag this issue do I understand that you are not in favor of it, Frank. Is that what you are telling me?

Mr. Thomas answered I think it was an area that should be considered similar to everything else you have been hearing. Am I for looking at consolidating financial functions...

Alderman Gatsas interjected that is not the question I asked. I asked you about bag and tag because you are the expert there.

Mr. Thomas replied I think it was worth considering.

Alderman Gatsas asked are you in favor of it today or not.

Mr. Thomas answered knowing...

Alderman Gatsas interjected don't answer. I will let you off because you are a good guy and you control the paving of the streets and certainly we know that we need some streets paved in Ward 2. The question I had is looking at the 3% cut, from the understanding I had that you gave Alderman Wihby you wouldn't have a problem with a 3% cut if the hiring freeze was also eliminated and you could do as you please with the budget.

Mr. Thomas responded I don't believe I said I was for a 3% cut.

Alderman Gatsas asked if a 3% happened that you would accept that as long as the hiring freeze was released.

Mr. Thomas answered obviously if the Board of Mayor and Aldermen decide to cut my budget 3% I will do the best I can with the remainder. What I brought up was that I oppose hiring freezes, especially in an operation like mine and I would rather have Alderman Wihby calculate what percentage of savings from this hiring freeze he would hope to obtain from my department and give me the option to see if I can figure out where to come up with that.

Mayor Baines asked what is the average turnover per year in your department.

Mr. Thomas answered at any one time I have six so we are always filling six positions.

Mayor Baines asked during the course of a year do we have any statistics on that in Highway.

Ms. Lamberton answered you had 12 employees leave since December so probably 24.

Mayor Baines stated so if you take 24 that would be frozen at an average cost of what...24 times what. Alderman Gatsas has his calculator.

Alderman Gatsas replied about \$240,000.

Mr. Thomas stated Alderman Wihby was only looking at saving \$270,000 so I would like to think it wasn't all coming out of my department.

Alderman Wihby stated \$370,000.

Alderman Thibault asked, Frank, regarding bag and tag I really think that this is an idea that some day is going to have to come in almost every city in the country but I think the City has been very, very poor in telling the people in Manchester that this is coming unless you start recycling. I think that if we put out that out...that recycling will become mandatory within the next few years unless you people start to recycle I think you are going to see a major increase in your recycling. I think that a lot of them...hey they don't care about recycling because you are going to pick up the bag anyway so I think if we tell the people that you are going to have to start buying these bags unless you start recycling you could jump your recycling to 20% or 25% I bet within a year or so.

Mr. Thomas replied again I think that bag and tag has merits and it should be something that the City considers.

Alderman Thibault stated I just think that we should do a better job of promoting the idea of recycling.

Mayor Baines asked how long have we had a full-time person whose job that was, Frank.

Mr. Thomas answered for about five years. That person was going into schools and promoting it at the elementary and middle school level to try to bring it home. Again, Worcester when they instituted bag and tag hired a professional PR firm. There has to be a lot of education that is done. When we went into yard waste separation and collecting in separate barrels there were a lot of concerns raised that we were going to find grass thrown on the streets and what not and quite frankly I think that the residents of Manchester have conformed nicely to that where there haven't been any problems. Quite frankly it is a pain because you have to go buy the special paper bags and place your yard waste in it but again I think that bag and tag is something that should be considered similar to consolidations and reorganizations, etc.

Mayor Baines stated I just filled 28 of those bags this past weekend.

Alderman Shea stated you must be reading my mind because I think that Harry hit on a wonderful idea that if we could make recycling mandatory in this City then as the Mayor indicated just a slight increase of about 8% to 25% or 30% we would save \$1 million. It isn't a hard job to separate the things. I just think it is a lack of people's awareness of why they should recycle and I don't think there is anyone pushing it in the community. You mentioned just offhand that people have no trouble separating their lawn compost and so forth. Why is it such a difficult problem for recycling?

Mr. Thomas replied well first of all I am not a supporter of mandatory recycling programs. Quite frankly you have to have a strong policing program out there. You have to have stiff penalties and fines. With a bag and tag program if you don't want to recycle you buy more bags and that is fine because that revenue comes into the City. If you want to recycle...

Alderman Shea interjected but logically if people don't want to do things on a volunteer basis then obviously people are going to find ways of alluding a mandatory type of program. Even when we discussed the bag and tag years ago as we both know Welfare people were going to receive free bags. That was one of the concerns of the community here that we would have to spend upwards of several

hundred thousand dollars to provide Welfare families with free bags because that is part of whatever the Welfare restrictions might be. Is that correct?

Mr. Thomas replied there were going to be arrangements made with Welfare.

Alderman Shea responded that is correct so what I am saying is if we were to get someone in City government in your department or so forth and draft an ordinance of some sort that said in essence you people are required to recycle, I would think that there would be some improvement in the recycling program. I don't think that it would go up 70% but I think that is where we have to start. If I meet 100 people, 99 out of the 100 don't want to bag and tag and you are probably one of the 100. You are the only one.

Mayor Baines replied as a consumer I don't want to do it either. Who wants to do it but since I brought this up I think one of the things is it has been an education about recycling so there are some advantages to doing this. I don't think we should lose site of the concept that at some point in time this is what is going to happen. There is going to be legislation passed that if communities do not reach a certain percentage of recycling they are going to be fined. There is something that is going to be put in place. If there is some way we can step it up and set a goal by such and such a year if we don't reach a certain percentage of recycling...if we do something like this there might be an incentive to the community. We have a responsibility to recycle. I have to do a better job and all of us have to do a better job.

Alderman Thibault stated the thing is that as we get into that what is going to happen is some of those garbage bags are going to end up on your lawn and my lawn and some of the streets that are not regularly policed. I see it as it is now. How many times do I call you, Frank, to pick up in certain areas of my ward because people who rather than pay \$20 to have their refrigerator taken they are going to take the door off of it and throw it on Douglas Street and tomorrow I am going to call you to go pick it up?

Mayor Baines replied you are somewhat right but that has not been the experience of communities that I have seen go into it. There have been some instances of that but most people do comply because they know it is the right thing to do.

Alderman Wihby asked you know how we do public hearings. Can we go back and forth? Can we talk to the department heads that want 3% cuts? Is there anybody here who is happy with a 3% cut? We are going to hear from department heads. We already have their sheets and we know what they are going to say to us. This is all the same stuff we heard before.

Mr. Fred Rusczek stated it is true. I am restating what I said last night. A few things concern me. One is that the 3% cut will have an impact. The budget that the Health Department put together and presented to the Mayor represented a 2.1% increase, not including salaries and wages. A 3% cut will require that we reduce our staffing and we cut out things like our West Nile Virus control program. Beyond that, on the issue of the hiring freeze it concerns me greatly that we will have a hiring freeze because I am in a department where we have considerable turnover. Our median length of employment is under five years. It is under five years. Just in the past two weeks I have received the resignations of two school nurses --a community health nurse and a 16-year school health supervisor, Mary Anne Cooney. If I start today to try to recruit and fill those positions, I will be challenged to have those positions filled by the time school starts in September. A hiring freeze will create that delay. It is hard in the health business today to compete with what the private sector can pay. We do our very best but the hiring freeze will hinder that and could very well jeopardize our ability to have our schools staffed. We will be challenged to find a supervisor to replace Mary Anne Cooney. When we move towards consolidation of financial functions, that was tried in the Health Department this year. It is something that I think we need to move very cautiously on. As a department head I feel that I need the information readily to me, the financial stuff, so that we can manage through cost accounting and do the things that we are expected to do and do the things we should do in a business. That being said, if the right system is set-up, my business is public health and if all the needs are met so that I can do my financial...meet my financial obligations and responsibilities there might be a system that works. I am open to that. I will tell you though again that the experiment that we tried earlier this year left us really wanting for information and without the sort of stuff that we needed. Again, I am very concerned about any additional budget cuts. We will have to cut programs. We will have to cut staff. The Mayor's budget cut what was a 2.1% increase in our budget except for the benefits cost. Any cuts beyond that will have an impact.

Mayor Baines stated we are also impacting already, unless we come up with some solutions, the coverage of nurses in the parochial schools. Am I correct? Does everybody understand that there is already a problem within the budget about maintaining the existing coverage of nurses in the parochial schools? As long as people know that because we represent those constituents as well.

Alderman Thibault stated as we mentioned in committee tonight, I am very concerned about some of the healthcare that the cities are going into knowing what is going on in the world today, your Honor and some of the problems that are occurring throughout the United States and many other countries. I think that the health thing is going to become a major, major project and to restrict the Health Department in any way, I think, is a very bad move on our part because some day

we are going to get hit with a crisis that even they will not be able to handle, such as we have seen in other parts of the country. I would urge this Board to be very careful as to how we handle health. If you are looking at the rest of the world and what is happening right now with some of the threats we are getting in the world it is something to be aware of.

Mayor Baines replied I appreciate your comments because the topic at the conferences that I have been able to attend with the conference of Mayors, the next line of defense for this country is in public health and communities across the country are beefing up public health, not cutting public health. Communities are not cutting back on public safety. They are beefing up public safety because we are now the first responders to terrorism. I think the people of this community would respond to that kind of a message because we do have a safe community. I think people want to keep it safe and they want to keep us prepared.

Alderman Shea stated the 3% cut would lower your department \$77,500 is that correct.

Mr. Rusczyk replied yes.

Mrs. Joan Porter stated I really didn't want to be here but I thought it would be irresponsible if I don't say something. One of the things that...our office is obviously based on service. We wait on the public. Last year this Board made the commitment to give us that extra position to reduce the backlog of mail registrations, to reduce the lines and that has been 100% effective. The money is being deposited quicker because it is being processed faster. It has a lot of advantages. The 3% cut would mean a \$22,000 cut. If we are not going to lay-off it would be to our \$60,000 operating budget which is crazy. So we are obviously going to have to consider laying somebody off. I would like to propose two possibilities in order for us to look at not laying off.

Mayor Baines asked boost revenues. That is what we used to do?

Mrs. Porter answered on the \$22,000, I have not mentioned it within the department but I would like to see if this Board would support the possibility that we could ask our employees how many would like to go back to 35 hours as a full-time position and that would save us some money on a regular basis because we would be saving 5 hours per week depending on how many employees wanted to do that and that would give every department the flexibility of finding out if that is a possibility without laying a person off. The other consideration that I would like you to consider is in our department \$22,000 would have a major impact on my operating budget. It would have a minimal impact on my revenues. If I were able to take that money you wanted to cut from me, of \$22,000 and put it into our

revenues, it is 1/7 of 1% of revenues so it is not a lot of money added to my revenues and it is not out of the realm of a possibility but either one of those would at least give us the tools to work with and consider keeping the staffing level where it is.

Mayor Baines asked how many years ago because this predates a lot of us that are sitting on this Board now did the Aldermen make the decision to go from the 35-hour week to the 40-hour week. How long ago was that?

Alderman Shea answered it was part of Yarger Decker.

Mayor Baines asked what was the rationale that was promoted. I think I know the answer but I think the people at home should know about it. Why did we go from 35 to 40 hours?

Mrs. Porter answered I am assuming for more hours of service because we also extended the hours from 8AM to 5PM at the same time so we were open an hour earlier.

Mayor Baines stated so we opened City Hall and city government from 8AM to 5PM to accommodate the public.

Alderman Gatsas stated Joan I commend you because you are the first department head that has come up here and thrown out a solution other than saying the travesties that would have to happen. So maybe it wouldn't be five hours that you would have to cut on employees but maybe they would agree to two and a half. I commend you for the ability to come forward and bring that forward. Maybe you are the one department that shouldn't be cut because at least you came through with a solution that at least gave some forethought about what you were trying to do and I commend you for that.

Mrs. Porter replied thank you.

Alderman Shea stated I would be remiss if I didn't say that it came from a woman.

Alderman Lopez stated I think, your Honor, that if the department heads want to cut that we ought to let them go ahead and cut to 35 hours a week because if the employees want to do it...I know that some other people in departments have asked their department head if they can do it.

Mrs. Porter replied the caveat is also keeping them a full-time employee so they don't lose their benefits.

Mayor Baines stated a lot of the smaller departments are talking about this. This isn't the first time it has surfaced. It is the first time it has surfaced publicly.

Alderman Lopez stated this is non-affiliated employees versus union too.

Mayor Baines responded they are non-affiliated and they have small departments. The choice in very small departments is you have to cut personnel and you have to cut wages. It is as simple as that.

Alderman Lopez replied that is correct and if they want that authority they got it as far as I am concerned.

Mayor Baines called Diane Prew forward.

Alderman Gatsas stated it has been a blessing not to see her come before us because the only time we used to see her is when HTE had a problem.

Mayor Baines replied well she is working to make sure that HTE doesn't have a problem and she has done an extraordinary job too.

Ms. Diane Prew stated what I would like to bring to the Aldermen's attention is that we are a support department, not directly to the citizens of the community but to the departments that provide support to those citizens. The systems that we support help to make the employees more efficient. Every year for the past three years and this will be the fourth year, our operating budget has been reduced while our fixed costs go up. The City has invested millions of dollars in its computers and its network. It is part of the infrastructure of the City now. It is like the roads and buildings. It needs to be maintained. What I wanted to call to the Board's attention is that I know you all think of computers in terms of HTE, payroll and the financial systems but computers are becoming very integral to other operations within the City. We have computers that are helping to maintain the City's fleet of vehicles. There are computers that control the gas pumps at the Highway Department. There are computers at the transfer station working the scales. There are mobile data terminals that are in the police cruisers. There are mobile data terminals that we are working on to install in the fire trucks. There is a PC at Traffic that makes the parking signs that are used throughout the City. The PC's that count the ballots during Election Day. So, as the years go on this equipment becomes more and more a part of the every day operation of the City. If we can't keep these systems running as they should be, our employees won't be able to be as efficient as they need to be because they are depending on these systems.

Mayor Baines stated the next phase is we are looking at bringing e-government to the City to allow the City to do transactions or citizens of the City transactions

with City government. We are trying to push ahead with that too. Any other questions for Diane Prew?

Alderman Lopez stated I noticed in your report that you requested \$300,000 more and then if you go down to your percentage cuts of \$55,000 to address PC replacements for departments. Is that right?

Ms. Prew replied yes.

Alderman Lopez stated knowing the process of HTE and that you have money left in that particular conversion fund, that is what I want to call it, money left over in there...

Ms. Prew interjected those are funds that are planned for additional functionality.

Alderman Lopez asked if you got cut the 3% is there money in that particular 1996 and 1997 account that you could use for some of this.

Ms. Prew answered it is my understanding that bond funds cannot be used for maintenance type work for replacement of PC's. Bond funds are used for new projects.

Alderman Lopez stated I understand that but when there was a conversion in 1996 you had that money for HTE to help out departments and all of that. What did they call that?

Ms. Prew replied the Integrated Municipal Information System.

Alderman Lopez responded right and you could use that money for some of this stuff.

Ms. Prew replied we could use it for the purchase of new equipment for new functionality. Are you talking...you are speaking to the \$300,000 worth of requests that we had from departments for new functionality?

Alderman Lopez responded that is correct and why can't that money be used in 1996 that you have \$166,000.

Ms. Prew replied that money would have to be redirected through the Board of Aldermen.

Alderman Lopez responded that could be done though.

Mayor Baines called Leon LaFreniere forward.

Mr. LaFreniere stated we have submitted a memo to the Board. I felt that without taking a whole lot of time I wanted to emphasize a couple of points. One of which is that the Building Department is a safety services department in the vein of prevention efforts, much as in the Fire Prevention Bureau with the Fire Department and some of the crime prevention activities at the Police Department. One of the things that distinguishes our efforts though is that we generate fees for the services that we provide that continue to exceed our total appropriation. In other words, we have a positive effect on the tax rate. These fees are paid as a result of some substantial levies on construction activities, certificates of compliance issued to residential rental housing and so on that causes the property owners, the taxpayers to essentially underwrite the services that we are providing through the fees. If we don't have the staff to provide the services, one of the problems that I am going to have is I am not going to be able to generate those same levels of revenue. I can't bring in the revenue for certificates of compliance if I haven't got inspectors to go out there and make the inspections and consequently issue the certificates. Like some of the other smaller departments you have heard from, our operating budget constitutes something in the order of 4.4% of our total appropriation. We don't have any capital allocations of any note. Our overtime budget is \$500 and that is something that is only utilized when it is paid back to us in fees. So we don't have anywhere to draw from except from salary accounts essentially in regard to absorbing the cuts. If we have to absorb a 3% cut we will be talking about at least one lay-off and it will have a negative impact on our revenue picture. I believe that the revenue reduction will exceed the savings represented by the cut. I just wanted to bring that to the Board's attention. I think we do have kind of a unique situation that does distinguish our activities from some of the other departments that you may want to consider in this grander scheme of the very difficult deliberations that I know you are all undertaking at this time.

Alderman Shea asked, Leon, would your revenue projection...if a little bit were added to that amount do you anticipate a little bit more than what is projected in your revenues. In other words, I think if I am not mistaken that your revenues are what \$1.740 million. Is that a conservative estimate as far as revenues?

Mayor Baines answered it is liberal.

Alderman Shea answered it may be somewhat liberal. We had come up with a projection that we provided the Mayor in the vicinity of \$1.5 million. The Mayor's Office took a look at that and we discussed some of the projects that we have potential for coming on line and felt that there may have been some opportunities there. They felt that it was appropriation to bring that revenue up to

the \$1.7 million, which is an increase over last year's revenue of...\$1.6 million. We had come into the Board with a projection of \$1,340,000 during the last budget cycle and the Board felt it was appropriate to bring that up to \$1.6 million.

Alderman Shea stated Shop n' Save is putting an addition down on John Devine Drive. Is that going to be included in next year's new addition that they are putting on?

Mr. LaFreniere replied we have not yet seen anything in the form of an application for the Hannaford Brothers proposal. We have received applications and a check for permit fees for the Stop and Shop proposal on South Willow Street. So, there are some projects out there that we did factor in.

Alderman Shea stated this is the addition that is being put on. You did factor that one in. The addition that is being put onto Shop n' Save.

Mayor Baines replied I think you are talking about the renovations that are going on inside. Did you collect anything on that, Leon?

Mr. LaFreniere asked which address are you talking about.

Mayor Baines answered Shop n' Save on John Devine Drive. We have already received fees for that project in this fiscal year.

Mayor Baines stated so for example one of the things we are looking at is the potential for the Bridge and Elm project. That is one of the ones that...you know you are looking at revenues coming in and there are others like obviously the Valley Street project that was announced yesterday and there are several others by the way that are in the wings right now just waiting to be announced if things continue to go forward in the City. Do we have any other department heads wishing to speak?

Mayor Baines called for a five-minute recess.

Mayor Baines called the meeting back to order.

Mayor Baines stated we will move back to a general discussion of the budget. I would like the record to show that the Chairman of the Board, Alderman O'Neil is now in attendance. Alderman O'Neil, do you have any questions?

Alderman O'Neil stated I was handed I guess what some of the recommendations are tonight. I don't support the bag and tag and believe it should be pulled. I am very concerned about the 3% cut across the board. I am not going to sit here and

let the games that have been played in the past of closing fire stations on a daily basis or less police cruisers out on the street on a daily basis and play the charade with the public that nothing has changed. I have been here when that has gone on. When they have had less fire protection. When they have had less police protection in the City. When they have had reduced services by the Highway Department. I would like to see which one of my colleagues is going to put up their hand to say they support the closing of the fire station in their ward or they supporting giving up the police cruiser that patrols their ward so it can cover another section of the City. I don't see any hands going up.

Alderman Wihby responded I won't raise my hand but I will answer that.

Mayor Baines stated well Alderman O'Neil has the floor right now.

Alderman O'Neil stated some of the things like a hiring freeze, I support a hiring freeze but I want to exclude police officers and firefighters and laborers at the Highway Department because those people provide the daily services to the citizens of this City.

Alderman Wihby stated again if we don't do anything different we are always going to be in this position. If we start depleting as someone had said the funds that we put aside for a rainy day we are in the wrong direction because we are not solving the problem in the future. The only way of solving the problem in the future and correcting this is to go ahead with these cuts. Be it, what Frank suggested at 3.25% and not have a hiring freeze or a 3% and a hiring freeze, the hiring freeze is \$370,000 and I think we have saved \$600,000 or \$700,000 so we can stop the hiring freeze and not put that towards the uniformed officers. That is not a problem because we know we are going to save more money than that but, your Honor, we have to do things differently. Just at the State level we were told that we had to cut 3% and the departments cut 3% after we cut last year and the departments did it. The only way of stopping the problems in the future is by controlling it today and that is the problem. We never made the hard decisions to do that. When you are talking about a \$17 million budget for Police and Fire and cutting \$300,000 it is not a lot of money and it is not a lot of cuts and I will tell you that we are not going to have the problems we are hearing. The department heads sit here and they have to defend their budgets, your Honor, and I think there are ways of doing things differently that they can come up with where they don't have to make the cuts. Again, it is easiest to say we are going to cut and lay-off people because that strikes the bones of everybody and people don't like that kind of saying. We are going to stop paving because that is the thing...you know we are not going to buy paper for school or we are going to stop the Catholic school buses. I can tell you what everybody is going to say. They didn't have to speak. It is the same thing we have heard every time we have come forward and asked

them what does it mean to their budgets. I am not knocking them, your Honor. It is their budgets and they have to protect them. They are not going to sit here and say keep taking but they can do things differently and that is what has to happen in this City, your Honor, led by you and by the Chairman of the Board to make things happen. We have to have some consensus. Sitting around we have 12 different opinions here and we have until Wednesday to make a decision. I would like to see some kind of consensus on my proposal if people like it or don't like it and move forward in the next three days or whatever it is going to be to say what items we have to work on. I don't see by delaying this until Monday and making a decision and making the department heads come back again and somebody is going to ask them again I will speak if you are happy with it or not on Monday it is not going to make a difference. We have to start making decisions. We have waited until...when did you give us this budget three months ago? We waited until a week before to come up with some suggestions? We can't do that. There are only two ways of fixing this budget. Either accept your number at 13% and let the residents come and sit here and everybody can hear them or try to make...and again I don't like across the board cuts but that is where we are at because we don't have any time. You have to make a decision and it has to be now, your Honor, up or down, one way or the other. I think that is what we owe the citizens of Manchester. They are waiting to find out what happens and the tax bills are going to be due in December.

Alderman O'Neil stated last night we covered eight bullet points that I think there was a consensus by all present that we need to work on. I am not going to run through all of them from consolidation to early retirement to payment in lieu of taxes, privatization, etc. I think we are all in agreement starting July 1 that we are going to work on those issues. David, this isn't a fair question but I am going to ask you. Are you supporting in your ward that there would be periods of time during the year where Ward 1 would not have police protection or that Ward 1 would not have fire protection or that Ward 1 gets its garbage picked up every other week because I believe that is the direction we are heading in?

Alderman Wihby asked do you really think that the Police Chief and the Fire Chief who have been with us for 20 years are going to allow that to happen when you are not going to have protection in an area. They are going to pick and choose the areas just like they did five years ago on what stations and when to close them so there is coverage all of the time. We can ask them but I can tell they are professionals and they are not going to say yea we are going to shut down a ward.

Mayor Baines stated if I am correct last year I sat through a discussion during the budget process about some cutbacks that happened on the West Side last year or the year before and there was a lot of concern that happened. When you do have cuts and they have to manage, they do cut back on coverage in various parts of the

City. Obviously they don't go out and publicize it because then they would be telling the criminals when they could burglarize or commit shootings and we have shootings going on across the City right now that we are concerned about. They do cutback in coverage in various parts of the City and they have repeatedly.

Alderman Wihby replied if we get them up here and have them tell us they are going to shut a station down in one ward that is going to affect the citizens of Manchester and the safety...can I have the Police Chief and the Fire Chief tell me that they are not going to have patrol cars in Ward 1 because well you cut our budget and we are not going to have them. Do they want to come up here and say that? They are not going to say that, your Honor. They are going to pick and choose the best opportunity for the safety of the citizens and make sure that those areas aren't closed.

Alderman O'Neil asked so if you get a complaint from a constituent of yours that on a given day there wasn't a police cruiser in Ward 1 you are going to say that is okay.

Alderman Wihby answered there are a lot of days when I get that phone call that there is no coverage in Ward 1 currently.

Alderman O'Neil replied I don't believe that. You are also going to support if Engine or Truck 5 on Webster Street are out of service for a 24-hour period? You are going to say that is okay to the constituents of your ward?

Alderman Wihby responded where is Chief Kane.

Mayor Baines called Chief Kane forward.

Alderman Wihby asked Chief are you going to close the Webster Street fire station and sacrifice the safety of the Ward 1 residents.

Chief Kane answered as you said what I am going to do is make the best decision at the time for that day for the citizens of the City. We had done that in the past. We talked earlier about closing Engine 1. It was out of service for quite a period of time. We have closed other apparatus in the City, other ladders. Engine 5 on Webster Street has not been one of them but other wards have.

Alderman Wihby asked and you sacrificed the safety of citizens. Is that what you are telling me? You closed them sacrificing the safety or knowing that you had coverage somewhere else to take care of it?

Chief Kane answered what happens when we close the station and we have coverage in another station is the response to that area is a lot longer. It is twice as long. If you have a truck in a station and you basically have about a three minute response if that truck is not there and you are going to get the truck from the next station, that is going to be a six minute response.

Alderman Wihby asked can you tell me back in 1995 when we did this where we had a problem.

Chief Kane answered there were issues back in 1995. It was not something that was laying out in front of everyone all over the place but there were issues. As a matter of fact there was some concern from the Board and the Board put Engine 1 back in service.

Mayor Baines stated they brought some more money into the budget because it was creating a longer response time back in 1995.

Alderman Wihby asked before the budget was adopted or after.

Chief Kane answered the following year.

Mayor Baines stated I think the Chief when he was up here also made some comments about response time in terms of life and death situations. I think he has been fairly blunt with us about that.

Alderman Lopez stated I commend the Aldermen for bringing something forward. There are other plans that have been brought forward to include the Mayor's. I guess one of my plans is to, as you are well aware there are eight Aldermen here who want to take some money out of the rainy day fund to solve some of the problems. I know the hard line is that these are hard decisions to make to solve the problem and we are going to have a hole down the line but as Alderman O'Neil indicated there are a lot of things on the table. To throw all this stuff at us at the 11th hour and say we are going to save this and we are going to save that, we don't know because as indicated by some department heads, this is about a six month process and that savings is going to be there anyway. If you are talking about a \$1.1 million savings in the consolidation of finances if that is the way to go after everything went through a work study and plan, taking \$1.1 million out of the rainy day fund to balance that figure...to throw it out to departments at this time and I am a firm believer that whatever budget number we give them they are going to work with and that is what they are hired to do but that is not the issue. We are dealing with service in the City of Manchester. I know that some people have indicated many times that we should treat this like a business. Believe me in my opinion you can't really treat it like a business. You are in a service business.

You have to give something back to the taxpayers for what they are doing for the taxes that they pay. If you don't have anybody picking up the garbage or you are doing it every other week, it can cost you a lot more money than it is going to cost you if you take the \$1 million out of the rainy day fund in order to solve some of these problems. I am not a financial expert but telling you...we are going to hear from Bond Counsel and let them come up and also Kevin was supposed to bring in and I am sure he will by Monday what all of this means and if the rate has to go up $\frac{1}{4}$ of 1% if he is going to bond \$100 million and stuff like that. I think we have to wait and make a decision. I am not saying that your proposal is not the right way to go or the wrong way to go. It is a solution. We can cut 3% and send them home to play with their pencils and lay people off or whatever the case may be but I don't really think that is the way to go at this time.

Alderman Garrity asked does most of your training take place down on Merrimack Street – classroom time and things like that.

Chief Kane answered that is correct.

Alderman Garrity asked when Engine 9 has some training and goes to Merrimack Street, Engine 3 covers the south end of Manchester obviously.

Chief Kane answered that is correct.

Alderman Garrity asked do you take Engine 9 out of service when it is down at the Central Fire Station for south end responses.

Chief Kane answered not usually.

Alderman Garrity asked but the response time is longer from Merrimack Street than from Calef Road.

Chief Kane answered absolutely. That is how we do business. To do it any other way would just cost us too much money.

Alderman Garrity asked so if you were to close an engine company and it would be throughout the City, you obviously wouldn't close Engine 3 and Engine 9 at the same time, right.

Chief Kane answered no.

Alderman Gatsas stated I would hope that nobody listening is believing that we are cutting the budget from where their existing FY02 budget is because we are not. So if we are not cutting your budget from FY02 then why haven't these

depleted services happened this year? If we are giving you an increase from FY02 to FY03, why haven't we seen engines and stations closed this year?

Chief Kane replied you haven't and you wouldn't for next year if the budget that the Mayor proposed goes through. What you have asked is if additional money is cut.

Alderman Gatsas responded no what we said, Chief, is that we are going to give you 2.5% more than what you have this year in your budget. 2.5% is the increase that you would receive over the FY02 budget. Just like every other department. It would be a 2.5% increase. So if you are not closing stations with 2.5% less money, why would you do it when you are getting an increase of 2.5%? Why would you throw that out and for anybody to think that we have department heads that wouldn't think of other situations other than closing a station and putting somebody's life in jeopardy, I think that is a terrible thing to even bring forward. It is wrong. It is not fair. It is the bogeyman. We don't have department heads, I don't believe, because I would go to the mat for every one of you, I don't believe that you would put one constituent's life at risk in this City.

Chief Kane replied there are a number of things. First, I didn't say that I was closing a fire station.

Alderman Gatsas responded well that is what we heard. We didn't hear it from you, but that is what we heard.

Chief Kane stated I believe, and I put it in writing, that I would have to put apparatus out of service. That is what I said. If I were for instance to close Station 5 that is two apparatus that would pull out of the same station and that is not the approach that I would take. Secondly, in regards to the 2.5%...the budget is increasing 2.5% or something like that but that amount that my budget is increasing has to do with benefits and has to do with the health insurance and has to do with the step raises. That money that increased in my budget really doesn't affect the overall service to the City. I am not getting that money to increase service. That is health benefits, etc.

Alderman Gatsas replied all I am saying is that your budget is 2.5% higher than what it is this year so when we are talking about cuts it should be understood that we are not cutting...from where you are today you are getting an increase. There are companies in this country, there are cities in this country that are reducing budgets from the starting point of where they were last year. Those cuts are cuts. I am looking at this as an increase. Nashua, I believe, and correct me if I am wrong Mayor but they have a freeze at what percentage by Charter? 3%?

Mayor Baines responded well they have a cap, which is very complicated to explain but Nashua is dealing with the very same issues with police and fire and schools.

Alderman Gatsas stated but they are dealing with it with a 3% cap. They are dealing with it. You would not have been able to bring us a budget of a 12% tax increase...the best you could have done is a 3% increase.

Mayor Baines replied in relation to the tax base it is not as simple as that. It relates to their tax base. Their tax base went up \$80 to \$85 million and ours went up \$20 to \$25 million so it is a little bit of a different scenario down there. Plus, Alderman, since you brought up Nashua and I keep saying that in 1999 and I wasn't here and you were not here but while we spent all of the Claremont money, they set aside half of it. That same year we reduced taxes \$6.9 million. They are still using Claremont money to help them through this time. It is a tale of two cities.

Alderman Gatsas stated what they are doing is they are taking that Claremont money and paying for the debt service on the new school that they built.

Mayor Baines replied well it has helped them through this time.

Alderman Gatsas responded the new school that they built, the \$140 million project.

Mayor Baines stated right the \$140 million high school plus they are renovating the existing high school and they are not cutting back on services.

Alderman Shea stated I am sure on another matter they are using their rooms and meals money in a different sense then we are in Manchester and that is quite a bit of money as well. That would add \$3.2 million plus \$476,000. That is another expenditure that we can't bring in. I wanted to mention, Joe, that during the time that the Somerville Station was being renovated that there was coverage from Engine 3 was it up on Mammoth Road?

Chief Kane replied you know we manage the department...

Alderman Shea interjected how long was Somerville closed.

Chief Kane stated about 12 months.

Alderman Shea stated but there was coverage.

Chief Kane replied there was coverage. We relocated those vehicles to different areas and there was coverage into the Somerville Station although be it longer. That is part of doing business. It also occurred when we redid Engine 6 and Engine 5.

Alderman Shea asked if you were to have to do a little bit limited service, in other words have to put an engine or two out of service would that mean that you would have to put it out of service for six months or for three months or for nine months or four twelve months to make up the deficit if you were to have to incur a 3% cut.

Chief Kane answered an engine would be out of service for 12 months with a 3% cut.

Alderman O'Neil asked when you had closed stations for construction like Engine 5, Engine 6 and Engine 7, in the City of Manchester there was still the same number of firefighters on duty that there would have been if those stations were open is that correct. They were just relocated to other parts of the City. In the scenario that you presented, there will be less firefighters on duty in the City of Manchester with daily closings.

Chief Kane answered that is correct.

Alderman O'Neil stated I think I asked you this last night and I hate to ask it again but cuts in personnel...less people on duty, how do I want to say this, not jeopardize the safety but it makes your job harder.

Chief Kane responded right. What we are looking at is normally our staffing for our day-to-day operations in the City of Manchester is 47 firefighters. If we take a ladder out, there will be 45 firefighters on duty. If we take an engine out there would be 44 firefighters on duty. So, it is all numbers. It is real numbers.

Mayor Baines asked if anybody wants to make a motion now to cut the Fire Department's budget by 3% I would entertain the motion at this time.

Alderman Gatsas moved that the entire proposal that we brought forward...

Mayor Baines interjected I think I have the prerogative as Chair to accept a motion.

Alderman Gatsas stated I think we have the opportunity to overrule that.

Mayor Baines asked, Solicitor Clark, do I have the authority as Chair of the Committee to take a motion by department.

Solicitor Clark answered as Chair you have the right to accept any motion and the Committee has a right to overrule.

Mayor Baines asked by majority or unanimous consent.

Solicitor Clark answered by 10 votes.

Mayor Baines stated I will accept a motion by departments at this time. If you would like to make a motion to overrule that decision you may.

Alderman Gatsas asked do I understand that you don't accept my motion.

Mayor Baines answered that is correct.

Alderman Gatsas asked you are not accepting my motion that we look at the entire proposal.

Mayor Baines answered I would like to do it by department so then I can deal with it by department as it gets out of the Committee on Finance. I have that line item veto authority anyway. Let's go on record as to what we want to see for cuts. If you want a 3% cut in Fire, let's move it.

Alderman Gatsas stated I would say that if you don't want to accept a proposal that an Alderman wants to present there is no reason for us to continue meeting.

Mayor Baines responded I will accept a motion...we will go through every single department in the City and I will take a motion on the 3% cut which accomplishes exactly the same thing.

Alderman Gatsas replied your Honor I don't think anybody looked to present that. Now if you want to debate me I think you ought to step down.

Mayor Baines responded I am in the Committee on Finance, not in the regular Board. I am a member of the Committee on Finance.

Alderman Gatsas asked so we can debate this issue.

Mayor Baines answered I can debate in the Committee on Finance; yes.

Alderman Gatsas replied I will say then, your Honor, that you did not present us a budget by department you presented a budget as a whole. That was the budget you presented to us in its entirety.

Mayor Baines responded no we present a budget by department. You are incorrect on that.

Alderman Gatsas stated well the budget you had given to us...

Mayor Baines interjected how do you want to deal with this as a majority of Aldermen. I will ask you.

Alderman Smith stated we are getting into personalities here and we have a very difficult situation. I don't like it and I don't think anybody does but we are going to have to make a decision and come to a consensus. Something has to be done and we can't be squabbling here. We have asked all of these department heads to stay here and for what, I don't know because they have given their constructive criticism and it is up to us to take the ball and go up to bat. Now if you don't want to do that then we might as well go home.

Alderman Wihby stated your Honor if you go by departments I know that there is some concern by some of the Aldermen that want to get the number down that if you don't take the whole number and then just at least tell us which ones you are going to veto next week what is going to happen...I mean some people say let's not cut Fire or Police or Highway and let's cut everybody another 3% and how much does that equal, that is \$1 million and let's cut everybody else \$1 million. That is the thinking of some of the Aldermen on this Board. If you don't accept the whole number and we go down number by number and then all of the sudden 10 departments don't get cut and now the rate is at 10% instead of 12% because we don't cut fire and police and everybody else, we are back to square one because we are still going to come back next week and say 10% is too high and now we have to cut further from the departments that we didn't want to cut. We should just take the whole number, your Honor, and then you can tell us which ones you don't want to go with and we can work on those.

Alderman Smith stated we are here to make a decision. I had stated by opinion on a 3% cut. I think it is up to us to get together and get a consensus on what we are going to do. I don't believe that we should go and itemize anything. I am one of the fellows and I will tell you this right now, I am for tapping the rainy day fund. It is not a rainy day it is a monsoon with our budget right now and it is up to us to try and get some revenue even it is a fixed complement just to get us through this hard time. It is going to be hard for the taxpayers, it is going to be hard for the department heads and it is going to be hard for the unions but we have to do it. We were elected to do the job and we have to do it.

Alderman Guinta asked, your Honor, does your motion require a second.

Mayor Baines answered I think if the Board wants to take unanimously...if you want to take that motion and vote it up or down, that proposal that came in tonight, do you want to do that.

Alderman Lopez stated the way I understood Solicitor Clark, you could do it and if we wanted to override you there is a procedure for that. You have made your decision as the Parliamentarian. Now if you are changing your decision that is a different story.

Mayor Baines replied we can do it but in due respect we haven't had School come in either. We have had all of the department heads here tonight. I am going to tell you right now that if you cut the schools that amount and I wish Randy Sherman were here because he worked with us on that School Department budget, basically you are telling them they will not have books, they will not have supplies, they will not be able to make their transportation obligation and they might as well close the schools. I am going to tell you something else. You are not going to attract a Superintendent either because this will be an unmanageable situation. That is how deeply we cut the schools this year. I made a tough decision. I cut about \$7 million and again I agree with Alderman Gatsas it is not a cut from what they had the year before but this Board of Mayor and Aldermen voted a contract two years ago that put certain raises into effect and also required the hiring of 18 additional teachers over there. They are facing an insurance cost the same, as we are around 24%. They just got an increase from the MTA for transportation, which also includes additional buses for the parochial schools. That is a reality. The MTA people are here and they will tell you that. It is a \$500,000 increase that they are facing in transportation. We didn't budget for any of that. If you are going to do that, you can do it but there is a consequence to it and I am going to tell you in terms of the schools and I think other people have voiced in a very articulate manner how it impacts but to go into the schools and do what is being done here is not responsible. You think you have an outrage among some people concerned about taxes, we are all concerned about it but we have a lot of kids to educate in this school system and they keep increasing and the demands are increasing and they cannot run their budget with any further cuts in that School District budget. I am telling you that right now.

Alderman Lopez stated what I was going to suggest, your Honor, is a lot of things have been thrown at us tonight – the 3%, we are still thinking about the rainy day, we have the Bond Counsel coming in and I think we have to make that decision along that line. I do agree with the Alderman that we should do the whole thing at one time instead of by department because all we would be doing is pinning department by department. If you would, your Honor, at a later date and I suggest that it be after we hear from Bond Counsel and the School Department if we want

to hear from the schools again and get verification from the Finance Officer that that money is there because he said if it is there. Then you still have the right to veto any line item. If we do it is as a whole and you wanted to veto one line item you could still do that.

Alderman Wihby stated if we went together with the motion up or down and if it passes you tell us which ones you are vetoing and now on Monday we know what we have to work on because we know what ones you are vetoing and we will know what the rate is at that point on Monday because we would have added that number back in and we will know if we are at a 6% or 10% or back to a 12% or whatever it is. Doesn't that make sense? At least we are working towards what number we are going to end up with? If the motion doesn't pass at all, then we are back at the drawing board.

Mayor Baines stated I don't have a problem doing it if that is what the Board wants to do tonight. The other thing that I want to make very clear is in my budget message way back in March I articulated that we were ready at any point in time when people wanted to talk about consolidation, when people wanted to talk about retirement or they wanted to talk about other cost savings. I put that all out in front over two months ago.

Alderman Shea stated on of the considerations that I listened to today on the radio was that they are starting to add \$2 for kids to ride the buses in certain communities. I think that it is a consideration here in terms of...you said that the amount of money that we are going to pay for bussing is going sky high...

Mayor Baines interjected \$500 million.

Alderman Shea stated well there are a lot of kids who ride the bus for free at the elementary level. I am not sure about the junior high level but at the senior high level they have to pay.

Mayor Baines replied I think there are some RSA's on that and I am not 100% sure of that. I don't know if you can...at a certain age you cannot charge. They have to get to school.

Alderman Shea stated the point is that obviously you can't do it this year necessarily but I am thinking that these are ways that we have to start initiating because obviously if we are paying more money to transport students the cost is going up through the roof then we have to start looking at ways to cut back on that expense.

Mayor Baines replied we are also running into fleet problems at the MTA too as we are in other departments.

Alderman Shea responded well maybe more people will have to walk. Something has to be done anyway.

Alderman Gatsas stated at least for Alderman Lopez and Alderman Smith as a group can we make a decision now whether the will to extend the rainy fund money is here. If it is not here then at least they know...if the votes aren't there then they now where to proceed.

Mayor Baines replied I thought you asked Bond Counsel to come in Monday night.

Alderman Lopez responded yes we did. You were not here.

Alderman Gatsas stated I understand but I don't think the Bond Counsel is going to come forward and tell us that spending money from the rainy day fund is a good idea.

Mayor Baines replied I think you are pretty well spoken on that issue.

Alderman Gatsas stated I would say that at least to put that vision of taking money, one time money, to solve a problem and I understand that it is a monsoon and I don't disagree with that but to do that is fiscally irresponsible. We shouldn't be doing it. It is there for a reason if revenues don't come in. It is not for spending forward. It is for spending back.

Alderman Shea stated I don't think that the proposal, Ted, is to take millions of dollars. I think if we could a little bit...sometimes you can take a little bit and it is not noticed. We have done that before you know. In other words a couple of hundred thousand here to add to revenues and so forth. I do agree with Alderman Wihby that we should say whether we want to cut the budget, not necessarily agreeing on how we want to do it but doing it this evening because obviously I think we can toss this around until the cows come home.

Alderman Wihby stated I have a question on the rainy day fund. Are you in favor of cutting the rainy day fund, your Honor?

Mayor Baines replied not at this point in time.

Alderman Wihby asked are you going to veto that.

Mayor Baines answered right now I am not in favor of passing the rainy day fund based upon my conversation...I tried to have a personal conversation with Bond Counsel today but we were unable to arrange it. Based upon what I have been able to research on that issue I don't believe it will be a prudent course of action at this time but I would like to have a personal conversation with the Bond Counsel, which I am planning to do tomorrow right Kevin?

Mr. Clougherty stated we are going to have them talk to you, Mayor, and try to have them here Monday night. Basically they are going to say what we said the other night, that it is not a good idea.

Mayor Baines replied right but I haven't had that personal conversation with them but right now it is not something I would recommend.

Alderman Wihby asked are you prepared to tell us if the motion passes which ones we can work on over the weekend.

Mayor Baines answered I think you need to work on everything over the weekend and I also hope that once we adopt the budget...within a very short period of time I am going to be back before this Board for consolidation of departments as I have already tried to bring in twice during my administration with health and seniors and with youth services and other departments in the City. We are going to come back to you with some very strong proposals to consolidate departments in the City and I hope that we are all serious going forward about really making some cost savings and doing that and reorganizing some particular departments in the City as well.

Alderman Smith stated I know we can beat this to death but I am very serious about this. I talked with you, Kevin, and I believe that 10 years ago we didn't have a rainy day fund. Am I correct?

Mr. Clougherty replied right that is when you had a lower credit rating.

Alderman Smith responded yes but we didn't have a rainy day fund right. What is the difference...when somebody comes in to bond they look at schools and streets and so forth so what is the alternative if they come in and find out we are cutting down 5% of the workforce? I think it would have an adverse effect on our bonding.

Mr. Clougherty replied honestly as I said last night they take a look at ratios and what they take a look at is management and fiscal discipline. If they take a look at your ratios, what they are going to say is you should probably be trying to exercise some prudence on the expense side and cut back on some positions and doing

some of the things we talked about last night rather than tapping your rainy day fund. What you are doing is you are postponing the day of reckoning and you are going in the wrong financial direction and that is what your Bond Counsel is going to tell you.

Alderman Smith stated Kevin we didn't have a good rating 10 years ago and somehow the City has survived since 1846 and we need it now. We need this money. I know you are always talking about the Bond rating. I would like to know what the difference would be with \$1.2 million in our bond rating.

Mr. Clougherty replied it would be about...if you did a \$20 million bond issue it would be about \$200,000 a year. You are doing those every two years so it is \$200,000, \$200,000, \$200,000 and \$200,000. It doesn't take you too long each year to get up over \$2 million and that reduces the amount of capacity that you have going forward so you would have to cut back that \$20 million pretty significantly.

Alderman Smith responded I know that but haven't we bonded quite a few projects and I think we are probably going to be bonding a couple of economic development projects in the next month or so.

Mr. Clougherty replied one of the reasons you have been able to do them, Alderman, is because we have been very successful in the financial market with refundings and one of the reasons we have enjoyed success in refundings is because we have a high credit rating and are able to go in and reduce those numbers. If that credit rating goes away, you will not enjoy those same savings. It is not a good idea.

Alderman Shea stated I think in regards to consolidation of departments that the Human Resource Department did not go along with it because there are six employees I think in the Office of Youth Services and about four in Elderly Services. If we are really serious about consolidating departments, we should consolidate departments that have 14 or 16 or 20 employees.

Mayor Baines replied you will be getting those proposals.

Alderman Shea stated I think it makes sense because there is where the savings would be, not in a limited amount because obviously when you are consolidating two departments with about eight or ten employees you are not going to get too much financially back.

Mayor Baines replied Mr. Robinson and I have been around this issue since we have been in this office and every time we go down the road we have well maybe

we shouldn't do it here we should do it some other place. The bottom line is you will get those proposals. One of the beneficial things about this entire discussion is there are a lot of new Board members now and I think we are going to look seriously at doing some of those things now for the first time. I think some people who voted against that recommendation when I brought it back a second time or Alderman Lopez brought it back again in Human Resources I think will change their votes now. I think they recognize that we need to do some things to bring departments together here. We can talk about them right now but I will have them before you a week to 10 days after we close this budget process and we will go to work here.

Alderman Shea responded the larger departments, your Honor.

Mayor Baines replied a lot of them. Not just the ones I have talked about but others as well.

Alderman Lopez stated I just want to follow-up on Alderman Smith and Kevin. Some of the different questions I think can be developed for Bond Counsel but can you tell me whether the ordinance that adopts the rainy day fund is in the actual bond document agreement?

Mr. Clougherty replied we are required by law to disclose in our financial prospectus all of that information and yes in every prospectus that has gone out since the rainy day fund has been established, it has been included specifically as well as in the comprehensive annual financial report, which is audited by your independent auditors.

Alderman Lopez asked but it is actually in the document agreement on the issue of the bond.

Mr. Clougherty answered in the prospectus.

Alderman Lopez asked can you tell me, \$100 million, if you were to bond \$100 million, $\frac{1}{4}\%$ of 1%, how much would that be.

Mr. Clougherty answered I am not following you.

Alderman Lopez asked if you bonded \$100 million, $\frac{1}{4}\%$ of 1% would be what.

Alderman Gatsas answered \$250,000.

Mr. Clougherty stated right.

Alderman Lopez asked is there in the bond agreement...is that a fixed rate or could it be a buy out rate.

Mr. Clougherty replied what do you mean by a buy out rate.

Alderman Lopez responded for example are all of our bonds a fixed rate.

Mr. Clougherty replied yes. Are you talking about the difference between a fixed rate and a variable rate? There are no variable rates.

Alderman Lopez stated I think that is why we need Bond Counsel here. There is not just one factor of taking money out of the rainy day fund. There are other factors that play a great part in the bond market.

Mr. Clougherty replied not as much as your reserves. Your reserves are one of the primary considerations and to try and understate that is not appropriate, Alderman. Your reserves are one of the major considerations for your credit rating.

Alderman Lopez responded I respect you and your opinion and it is up to this body to decide that after we get the information.

Mayor Baines stated and he has a responsibility to give his advice.

Alderman Guinta stated in the interest of trying to move forward on the issues that are in front of us, can we at least try and get a consensus of which way we would like to go and whether we want to vote on Alderman Wihby's proposal.

Mayor Baines replied we will be doing that in a minute.

Alderman Guinta asked so are we still in discussion of that. It seems that we are in general discussion.

Mayor Baines answered yes but pretty soon I am going to call for a vote.

Alderman Thibault stated we have all of these department heads here and they have been here for the last three or four nights. We all know what 2%, 3%, or 4% is going to do. It is up to us to take the time to make our decision.

Mayor Baines replied if there isn't any objection, any department heads that would like to leave and miss the drama may do so.

Alderman Wihby asked will you accept a motion now. I move to accept the sheet in front of us that cuts departments 3%, excluding the janitorial contract, the street

lighting, and also one item that is not on here that Tom Clark talked about and that is the worker's compensation number that affects all of the different departments. We would not take 3% off of that. That should be corrected in the City Solicitor's Office. We will add back in the retirement number and have a hiring freeze excluding the safety departments. We will consolidate the financial services throughout the different departments and put them under Finance effective in January and accept the \$600,000 repayment of the past debt from the schools from their excess revenues, therefore, equaling a 4.9% tax increase.

Alderman Gatsas duly seconded the motion.

Deputy Clerk stated I just have a question because he listed everything off except one item and that was the no bag and tag. I just want to make sure it is included.

Alderman Wihby replied yes that is included.

Mayor Baines stated so we are going to vote on this whole package so if you like some or you don't like all you know what you have to do. We will have a roll call vote. Aldermen Wihby, Gatsas, Guinta, Sysyn, Pinard, Shea, and Garrity voted yea. Aldermen Osborne, O'Neil, Lopez, DeVries, Smith, Thibault and Forest voted nay. Mayor Baines broke the tie by voting nay. The motion failed.

Alderman Wihby asked does anybody else have any other ideas.

Alderman Guinta asked are you still solid on your budget, Mayor.

Mayor Baines answered no I am willing to look at some changes. I put forward as I will continue to mention to everybody, the consolidation proposal as something I wanted the Board to consider. I think there are some potential cost savings. I would look very favorably on the hiring freeze once we put the numbers together so we know exactly what they represent as opposed to just general numbers out there and looking at what we can do. I also would be in favor at this time of looking at the alternatives to bag and tag but I want to keep that as an option that I want to weigh in depending on what you do finally with the overall budget. I will tell you right now that there are some...that 3% cannot go across the board. It is not a fair cut. We already heard examples of it today. You heard one in Welfare and that makes no sense at all. Absolutely no sense. You take some of your small departments like the Office of Mayor, we have one of the smallest departments in the City, it is all salary, so basically what you are telling Wayne Robinson and Dave Scannell and Tina Kelley that they all have to take a pay cut.

Alderman Wihby asked or you.

Mayor Baines answered no the Mayor's salary is set by Charter. The other part of this and by the way as a department head I am the lowest paid department head or one of the lowest paid department heads in the City, these people work 60 or 70 hours a week right now and that is what you are doing to small departments in the City. You are crippling them. It is not the right thing to do. We have worked very hard on this budget since December trying to do something preserving services in the City at this critical time and I am going to emphasize again especially in the aftermath of September 11 our preparedness is more important than it has ever been before and we cannot jeopardize public safety. We cannot jeopardize the investment down the street there by not doing such things as plowing around there or providing police protection. We cannot be increasing the response time. We have had severe fires in the City. Go to one of them if you haven't some time and look at the importance of that emergency response time in the City and see what the timing could mean with saving of lives in this community. You know we are all concerned about taxes and I wish some of this discussion had taken place in 1999 when that money was squandered in a way it never should have been. We faced over the last two years of our budget 20% increases in the salary lines that we have no role in whatsoever. We had to meet those obligations. We have rolled back those expectations in the budget so we need to be prudent. We also have a burgeoning school population. A burgeoning school population across this City and we have to meet those needs. What I am going to do is take a look...down the line I would like to hear some other proposals from the Aldermen. I do want to hear from the Bond Counsel to see what they have to say and entertain individual proposals going forward here. This whole package is not responsible, it does not meet our obligations to the taxpayer and some of these things, to be quite frank, we wouldn't be meeting the obligation of what the people are paying taxes for right now. They would not be getting a value for their tax dollars. I can't support that and will not support that. As I said to you very clearly, I will not allow this City to go backwards in terms of vital services to this community. I am prepared to take whatever comes my way in terms of that. I will deal with it and I will stand very tall and very proud to defend those kind of expenditures on behalf of this community. I am willing to work with you to get the number down.

Alderman Guinta stated I am not done.

Mayor Baines replied I called on Alderman Smith.

Alderman Smith stated I would like to commend my colleague, Dave Wihby, for bringing up a proposal because now we probably have 75% of the package there and we can work on it a little bit longer. The second thing is I would like to move to adjourn.

Alderman Gatsas stated I would like to present a proposal.

Alderman Guinta stated I would still like to respond to what your response was to me, Mayor. I can certainly appreciate your concerns for City departments and our public welfare. My question is, in addition to the consolidation, the hiring freeze and the bag and tag issue, it occurs to me that roughly 75% of our budget pertains to salaries and health insurance.

Mayor Baines replied it is more than that.

Alderman Guinta responded well I was being conservative.

Mr. Clougherty stated it is 75% to 80%.

Mayor Baines stated and just so you know the big four departments are schools, police, fire and highway. About 85% of your salary line items are in those four departments.

Alderman Guinta stated well somewhere between 75% and 80% can we do something or maybe we can follow your leadership in trying to somehow review or relook at Yarger Decker. You are saying that in 1999 when you were not here and this Board was not here all of these increases were implemented.

Mayor Baines replied that is true.

Alderman Guinta responded well my question would be can we get some leadership from this Board in looking at Yarger Decker and see where the majority of our expenses are increasing.

Mayor Baines replied the only thing I will say with Yarger Decker is you have already bitten the bullet. We bit the bullet on Yarger Decker in the last two years.

Alderman Guinta responded it doesn't mean that we can't change it for the future.

Mayor Baines stated but the increases that you are getting out of that now are very minimal.

Alderman Guinta asked where is the school increase this year relating to Yarger Decker. Is it 4.5%?

Mayor Baines answered understand that this Board, the same Board voted for a 4.5% increase and a contract that included 18 new positions at the elementary level. That is very expensive. We went through the budget for the School District

with a fine tooth comb looking at all of their positions. We even looked at how many people are retiring and what kind of cost savings could be generated and we moderated the price of bringing in new teachers. We have also looked at all of the cost savings that could come on the School side. I am going to tell you right now that under the budget they have before them right now they are going to struggle to meet their insurance obligations. They are going to struggle to replace teachers. They may not be able to replace 30 or 40 teachers that are retiring. They are going to struggle to meet any of their increases in things that are fixed costs like heating expenses, electricity, etc. They are going to have a very difficult time funding books and supplies and this is not anything that is any kind of scare tactic that some of us have listened to before. We have gone through those numbers. You are not going to have money for books and supplies next year.

Alderman Guinta responded I am not disagreeing with what you are saying. My question was about what we can do today to prepare for the future and as one of those things can we revisit the Yarger Decker system?

Mayor Baines replied this Board can always revisit anything.

Alderman Guinta stated I am asking your Honor for your leadership as the Mayor of our City to guide us through an alternative plan to Yarger Decker and if you would include that with the other itemized issues regarding the budget.

Mayor Baines replied I will be very glad to do that. We have, through the Personnel Director, been looking at some of the reclassifications that took place under Yarger Decker. If you remember we brought one of them back to this Board a few weeks ago that would have resulted in a savings for what she felt was a misclassification. We have continued to do those things since Ms. Lamberton joined the staff. We are willing to do that.

Alderman Guinta stated I am not interested in identifying one person out of the 1,300 employees that we have. I am looking at trying to revamp, potentially revamp the way we go about salaries...

Mayor Baines interjected these are negotiated items. As you know we did put together...we are willing to look...the answer to your question is yes we are willing to look at it, however, we have also gone through the study just recently and Mr. Thomas reported to you on it. We can revisit that at any time.

Alderman Guinta asked but you do agree that part of the problem today is what happened in 1999 relating to the implementation of Yarger Decker.

Mayor Baines answered not just Yarger Decker. In 1999 we faced in the first year of that implementation double digit increases in spending on the municipal side. They were probably the biggest increases in over a decade on the municipal side in 1999. We had \$30 million that came in from Claremont, every penny of which was spent. That is one of the reasons we are in the situation...there is a whole accumulation of issues that we are in today. Can we work our way out of it? Absolutely but people have to be willing to make tough decisions on consolidation and looking at doing some centralization of financial services.

Alderman Guinta replied we went over eight of these issues last night and there seems to be general consensus from this Board that we need to plan for the future and that we are willing to revisit some of these issues.

Mayor Baines stated I am willing to work with the Board to do that and I realize that the natural resistance that has been there is probably not going to be anymore and that is a good thing.

Alderman Guinta replied all I would ask is that we can include the Yarger Decker system in terms of retooling or replanning.

Mayor Baines responded you have a Human Resources Committee that that responsibility rests with and any Board can refer anything to the Committee and get the staff working on it. The answer is we can look at anything.

Alderman Lopez stated I have a point to make before everybody leaves. We do have the negotiator here and I think you had a conversation with the HR Director and you might want to let the people know.

Mayor Baines replied we are going to do that after we finish this I guess.

Alderman Shea stated I am wondering what our schedule is. Are we going to roll up our sleeves again tomorrow night or Saturday night?

Mayor Baines replied I personally think you should wait until Monday but that is my personal preference.

Alderman Gatsas moved to look at a 2.5% cut, add the retirement of \$470,479, have no cut on janitorial contracts or street light contracts, put the \$250,000 out of the cut situation that the Solicitor had brought up, add the \$600,000 in savings from the School Department, and bag and tag is out, which would bring it to a 5.9% tax increase.

Mayor Baines asked you are going to cut School 2.5%.

Alderman Gatsas answered yes which brings the tax increase to 5.9%.

Mayor Baines stated I think I have said enough about the schools. You think you have people angry with you.

Alderman Gatsas stated consolidation is also included and the hiring freeze.

Mayor Baines asked do you want to take this motion today or wait until next week. I am inclined not to accept the motion and we wait until Monday night so that what we have done here tonight can be absorbed and we can figure out how to move forward here in a systematic fashion.

Alderman Lopez asked so you are talking about 2.5% with everything that Alderman Wihby had.

Alderman Gatsas answered that is correct and it would bring the tax increase to 5.9%.

Alderman Guinta duly seconded the motion.

Alderman Lopez stated I think it ought to be tabled until Monday. We have had a lot of numbers here tonight.

Mayor Baines stated I would like to see if the Board would like to adjourn and wait until Monday night to deal with this.

Alderman Smith stated I think it is a pretty good idea but one thing I would still like to get is that rainy day fund money. I am not giving up yet and I would like to try to work it out if we can and then we could alleviate the Mayor's problem with the School Department. That is the only drawback in the proposal in my opinion.

Alderman Shea stated basically I think what we are saying is we are going to put a cap someplace and then look for amendments later on that would add either revenues or other funds that we could make up that would balance that out. In other words realistically we are going to reach a point where we are going to have to have a cap. In other words we are either going to have to agree on a 1%, 2%...we know now that 3% may not be favorably looked on and then there is concern on the Mayor's part concerning schools and how much money they would be cut in terms of 2.5% or whatever but I think we are going to have to set in our minds a specific amount of a cap, whether it is 2.59% or 2.50% or 2% and I think everyone around the table agrees that is going to happen. How it is going to be implemented...

Mayor Baines interjected across the board cuts like that are not responsible because you have individual stories and I told you a couple of them within individual departments. Even if you want to cut this budget, I don't see how responsibly you could do it across the board like that. It just doesn't make sense to me. You can vote the way you want but at the end of the day I am going to veto any kind of approach like that.

Alderman Thibault stated I believe we should wait until Monday night to hear from Bond Counsel and see exactly how this is going to effect us. I don't want to make another decision until then.

Mayor Baines stated you are interviewing new Superintendent candidates next week and welcome to Manchester we are decimating the School District and good luck with the job. They are going to go back to where they came from. Who would ever come in here and take over a job with the challenges that are facing this School District now with the burgeoning population, with the ESL challenges that have been brought in, which I think is a great opportunity for our School District, all of these special education costs that are escalating beyond belief and all of the things that are going on in our schools with the overcrowding, etc. and you are going to pull that kind of money out of a budget and you are going to attract a new Superintendent of Schools? I hope you call come for the interviews with these people if they even show up if you vote for that kind of a cut. Then you go into the schools like I do on a regular basis and face the kids.

Alderman Guinta asked what was the School District's budget request.

Mayor Baines answered \$128 million + and they have said their maintenance budget...you know I tried to get them to give me a maintenance budget and I don't know if you all watched that but I think it has finally come out at around \$123,000 something that would just maintain them from where they are right now in my budget.

Alderman Guinta asked what is your budget for the School District.

Mayor Baines answered \$121 million plus.

Alderman Guinta asked so your logic is Alderman Wihby's 3% cut from \$121 million to \$117 million...their request was \$128 million and they said they had to have \$128 million and your number is \$121 million and Alderman Wihby's proposal was \$117 million. How did you get from \$128 million to \$121 million and that is not decimating their budget but going from \$121 million to \$117 million is decimating their budget. Even you agreed that their request was not

reachable. I guess I take a little offense to the fact that you are saying this Board or members of this body are trying to decimate the School Board's budget when what we are trying to do is give them as much as we can and have a reasonable, reasonable tax increase.

Mayor Baines answered because I know what that cut will do to the schools.

Alderman Guinta asked what did the cut do from \$128 million to \$121 million. How did that not decimate it? Why does Alderman Wihby's proposal decimate it but not yours?

Mayor Baines replied number one the \$128 million increase included some additional programs like alternative education and an alternative high school or alternative programs throughout the school system that just about every community in the USA has today. They don't have it and they won't have it. It also included adding positions like Spanish teachers.

Alderman Guinta asked so you cut those.

Mayor Baines answered I cut them all.

Alderman Guinta asked so isn't that decimating their program.

Mayor Baines answered no. What we tried to do was come up with a budget that would help to maintain basically around where they are right now.

Alderman Guinta stated so that is not fixing the overall problem. The overall problem is trying to not maintain but to better their education right? We want to better the education in Manchester.

Mayor Baines asked by cutting them another 3%.

Alderman Guinta answered let me just finish. Walk with me here for a moment. You would like to increase the budget for the school budget so we cannot just maintain the level of education but increase the quality, correct?

Mayor Baines replied that is what I would love to do.

Alderman Guinta stated but you are not doing that at the \$121 million. You just said you are not doing it. You are cutting out requested programs that other schools have in other parts of the country, correct?

Mayor Baines replied we gave them a bottom line that will not allow them to add those programs, yes, because of the financial situation we are in. What we have done, Alderman, and again you can talk to Mr. Robinson about that or Mr. Sherman who helped us to look at those numbers, is we have allowed them to meet their obligations with their salary increases that were voted by this Board.

Alderman Guinta asked so we are effectively not doing anything to increase the quality of education whether we are at \$121 million or \$117 million.

Mayor Baines answered excuse me, Alderman. Quality of education revolves around what happens in the individual classrooms and I believe that is pretty strong.

Alderman Guinta asked how are we meeting that obligation at \$121 million.

Mayor Baines answered we were looking at enhancements such as alternative education, Spanish programs, district level coordinators of curriculum, etc. There were lots of different programs and positions that they asked for to try to enhance their programs. We weren't able to do that because of the budget constraints we are under. What I am saying to you today very clearly and unabashedly is that kind of a cut would decimate the educational programs in the school system clearly without a doubt.

Alderman Guinta asked the \$117 million.

Mayor Baines answered yes there is on question about it.

Alderman Guinta asked but the \$121 million does not decimate it.

Mayor Baines answered it will get them through this year barely and meet our obligations. That is not good. I don't like being in that situation but I am hopeful that if we can keep it at that number and attract a high quality Superintendent we are going to be able to start working through those issues over there.

Alderman Guinta asked is a Superintendent going to look at this budget and say at \$117 million I am not coming to Manchester.

Mayor Baines answered I think so.

Alderman Guinta asked but at \$121 million that same individual will come here.

Mayor Baines answered that is \$4 million.

Alderman Guinta asked and that is the logic that a Superintendent is going to use to determine whether they are going to come to this wonderful...

Mayor Baines interjected that is one of many factors. It will also revolve around the educational climate that they view when they come to the City. I have said enough. Let's vote.

Alderman Shea stated one of the problems that every school system has today is the fact that many of the types of certification requirements have come from the State. In other words years ago when some of the people my age went to Central there was one principal and one assistant and there were probably 1,600 or 1,800 kids in the building. Today, because of John Economopolis forming education rules coming from the top down you have to have an Assistant Principal now for 500 kids so at Central High School, which has 2,200 children today you have four assistants and one principal. You have to have somebody for the Library over there and you have to have guidance counselors so many of the types of expenses that have been incurred by the Manchester public school system have been sent to them by the State Department of Education so until that is changed we are going to be governed by what they say at the State in terms of getting certified. In other words if a child graduates from West High School they want certification because they want to get into a fairly decent business school or college, etc. These are the things that are happening. When you were at West, how many assistants were there?

Mayor Baines replied three. One was almost full-time just handling special education. You didn't have those situations when you were principal.

Alderman Shea stated so when you tally in their salaries plus the principal's salaries, you are talking probably over \$1 million between the four middle schools and the four high schools. I know when I was at Hallsville and I took over and it was K-8 I didn't even have a secretary. I didn't even know how to use a secretary at first because I did my own typing and so forth. Today, you don't only have a secretary but you have a replacement when the secretary is out.

Mayor Baines replied I had one special education teacher when I joined West High School and when I left it was the largest department in the school.

Alderman Lopez moved to table the motion made by Alderman Gatsas. Alderman DeVries duly seconded the motion.

Mayor Baines called for a vote. Alderman Gatsas requested a roll call. Aldermen Gatsas, Guinta, Sysyn, Shea, Garrity, and Wihby voted nay. Aldermen Osborne,

Pinard, O'Neil, Lopez, DeVries, Smith, Thibault, and Forest yea. The motion carried.

There being no further business, on motion of Alderman Smith, duly seconded by Alderman Thibault it was voted to adjourn.

A True Record. Attest.

City Clerk